

Michigan Law Review

Volume 90 | Issue 7

1992

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Recommended Citation

Craig Y. Allison, *Does a Copyright Coowner's Duty To Account Arise Under Federal Law?*, 90 MICH. L. REV. 1998 (1992).

Available at: <https://repository.law.umich.edu/mlr/vol90/iss7/6>

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NOTES

Does a Copyright Coowner's Duty To Account Arise Under Federal Law?

Craig Y. Allison

A difficult question arises when a copyright coowner exploits a copyright without the consent of the other owners. The other owners cannot sue him for copyright infringement, the only cause of action explicitly created by the Copyright Act of 1976, because an owner cannot infringe on his own work.¹ For decades, however, the courts have provided a remedy by imposing a duty on the coowner to account to the other owners for the profits reaped from copyright.² Although both state and federal courts have imposed this duty to account, the question remains whether it derives from state or federal law.

Joint ownership cases may be divided into two categories. In joint authorship cases, the dispute concerns whether the plaintiff contributed sufficiently to a work to be considered a coauthor. In contract cases, the plaintiff claims ownership by virtue of an assignment from the original author. The answer to the question whether the duty to account arises from state or federal law may differ depending on how a dispute is categorized because state and federal interests differ in these two classes of cases.

A clear answer to this question is necessary for several reasons. Plaintiffs need to be certain which forum has jurisdiction over their claim. Because federal courts have exclusive federal jurisdiction over copyright law,³ plaintiffs who bring suit in the wrong forum will have their complaints dismissed, causing additional expense and delay. Furthermore, claims of joint authorship are likely to arise with increasing frequency because recent interpretation of the work-for-hire doctrine restricts copyright protection for employers.⁴ Thus, copyright plaintiffs are now likely to bring joint ownership claims with sufficient frequency to require resolution of the jurisdictional question.

This Note discusses both the source of the accounting rule and the

1. See 17 U.S.C. § 501-10 (1988) (chapter on remedies); 1 HOWARD B. ABRAMS, *THE LAW OF COPYRIGHT* § 4.03[B][4] (1991); 1 MELVIN D. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 6.10, at 6-26 (1992) [hereinafter NIMMER].

2. See 1 NIMMER, *supra* note 1, § 6.12[A].

3. 28 U.S.C. § 1338(a) (1988) (the federal copyright jurisdiction statute).

4. See 17 U.S.C. § 101 (1988) (definition of work made for hire); *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 748-50 (1989) (judicial construction of the § 101 definition); *infra* notes 22-52 and accompanying text.

proper forum for applying the rule. Part I provides a general history of joint ownership and the duty to account and suggests that the number of litigants presenting joint ownership claims will probably increase. Part II discusses joint ownership case law chronologically. This Part shows that the case law is consistent with the view that the duty to account was a creation of the federal courts. Part III argues that the accounting rule is federal common law and that federal jurisdiction necessarily follows for all copyright accounting cases. But even if the courts hold that the duty to account is state law, this Part argues that jurisdiction does not always lie in the state courts. Federal courts should exercise jurisdiction over actions in which the plaintiff pleads copyright ownership by virtue of joint authorship.

I. HISTORY OF THE JOINT OWNERSHIP CONTROVERSY

This Part examines the history of joint copyright ownership. Section I.A discusses the evolution of joint copyright ownership, which culminated with the recognition of the duty to account. Section I.B describes how the Copyright Act of 1976 and later judicial interpretations of that Act have combined to increase the likelihood of joint ownership disputes. With greater numbers of disputes, the courts will need to resolve the jurisdictional questions over the duty to account.

A. *Historical Background of Joint Ownership and the Duty To Account*

The controversy over the source of the duty to account can best be understood by looking at the historical development of the law of joint ownership. Until the enactment of the Copyright Act of 1976,⁵ the courts created and developed the law of joint ownership.⁶ In many respects, the joint ownership provisions in the 1976 Act merely codify this judge-made law.⁷ Thus, uncertainty in the present federal statute arises directly from uncertainty in the previous case law. This section discusses the development of the joint ownership case law.

The courts had at least three choices from which to fashion the rules governing copyright coowners. The simplest is to allow each coowner to exploit the work freely with no duty to account. This was the earliest rule, set forth in *Carter v. Bailey*,⁸ which held that an owner could reproduce and sell a jointly authored book without the consent of the other owner and without accounting for the profits.

5. 17 U.S.C. §§ 101-810 (1988).

6. For example, *joint work* is undefined in the Copyright Act of 1909, the predecessor of the 1976 Act. Copyright Act of 1909, ch. 320, 35 Stat. 1075; 1 ABRAMS, *supra* note 1, § 4.03[A][2].

7. See H.R. REP. NO. 1476, 94th Cong., 2d Sess. 121 (1976); S. REP. NO. 473, 94th Cong., 1st Sess. 104 (1975); see also *infra* notes 19-21 and accompanying text.

8. 64 Me. 458, 463-64 (1874).

This rule, which was consonant with the patent laws,⁹ may have led to wider publication of already-existing works, because one owner was not able to veto another owner's exploitation of a work.¹⁰ Later courts rejected the *Carter* rule, however, on the ground that exploitation by one owner may effectively destroy the residual value of the copyright to the other owners.¹¹ Commentators also pointed out that the rule may lead to a race between joint owners to exploit a work and thus a waste of the value of the copyright.¹²

A second rule, the English rule, provides that no coowner may exploit his interest in a copyright without the consent of all coowners.¹³ This rule thwarts the owners' race to exploit by preventing such exploitation until all owners agree to an equitable distribution of the profits. But the English rule may impede publication of a joint work because a would-be copyright licensee may be unable to obtain the consent of all coowners.¹⁴

American courts have rejected the *Carter* rule and have universally settled on a third position: A coowner may exploit a joint work without the other owners' consent but must account to the other owners for all resulting profits.¹⁵ Like the English rule, the accounting rule prevents any owner from depleting the value of the copyright at the expense of the other owners. It also deters a destructive race among owners to exploit the copyright.¹⁶ By allowing independent exploitation by each owner, the accounting rule impedes publication less than the English rule. Furthermore, the accounting rule avoids the unfairness that sometimes results under the *Carter* rule. An unsophisticated coauthor who made no contractual provision for sharing the profits would be able to recover under the accounting rule, but not under *Carter v. Bailey*. Such considerations of fairness have caused some courts to justify the duty to account on the ground of a constructive

9. Joint owners of a patent have no duty to account to one another. 35 U.S.C. § 262 (1988).

10. Note, *Accountability Among Co-Owners of Statutory Copyright*, 72 HARV. L. REV. 1550, 1556 (1959). This rule would provide no incentive to the creation of new joint works, however, and might even discourage their creation, since each author might expect to lose income from the independent exploitation of other authors.

11. See *Jerry Vogel Music Co. v. Miller Music*, 74 N.Y.S.2d 425, 427 (N.Y. App. Div. 1947).

12. 1 NIMMER, *supra* note 1, § 6.12[A], at 6-28. Waste may occur when two coowners compete to sell rights in a work to the same licensor, who may play one owner against the other to purchase the rights at well below market value. The court implied that this happened in *Jerry Vogel Music Co.*, 74 N.Y.S.2d at 427-28.

13. See *Powell v. Head*, 12 Ch. D. 686 (1879); *Cescinsky v. George Routledge & Sons, Ltd.*, [1916] 2 K.B. 325; Note, *supra* note 10, at 1558.

14. See Note, *supra* note 10, at 1558.

15. See, e.g., *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984); *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569 (2d Cir.), *modified*, 223 F.2d 252 (2d Cir. 1955) (*12th Street Rag*); *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 73 F. Supp. 165 (S.D.N.Y. 1947) (*My Melancholy Baby*); 1 NIMMER, *supra* note 1, § 6.12[A].

16. See Note, *supra* note 10, at 1559.

trust between joint copyright owners.¹⁷

The Copyright Act of 1976 incorporated the accounting rule without modification.¹⁸ The Act itself only briefly addresses the issue. The 1976 Act defines joint work as "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole."¹⁹ The Act's only explicit mention of coownership provides that such joint authors are "coowners of copyright in the work."²⁰ The Committee Reports explain the brevity of these provisions as follows:

There is also no need for a specific statutory provision concerning the rights and duties of coowners of a work; court-made law on this point is left undisturbed. Under the bill, as under the present law, coowners of a copyright would be treated generally as tenants in common, with each coowner having an independent right to use or license the use of a work, subject to a duty of accounting to the other coowners for any profits.²¹

Thus, the present state of the accounting rule under the 1976 Act is found in the case law that fashioned the rule.

B. *Increasing Importance of Joint Ownership and the Duty To Account*

Although the duty to account changed little with the enactment of the Copyright Act of 1976, the 1976 Act substantially changed previous doctrine on work for hire.²² This section explores how recent Supreme Court interpretation²³ of the work-for-hire provisions of the 1976 Act may increase the number of litigants claiming joint ownership of copyright. Such an increase demands that the courts resolve the jurisdictional issue concerning the duty to account.

Exclusive federal jurisdiction over federal copyright issues makes a clear choice of forum especially important in copyright *accounting* cases. State courts normally have concurrent jurisdiction over federal questions.²⁴ Exclusive federal jurisdiction,²⁵ however, means that a state court must dismiss the complaint of a plaintiff who erroneously brings a copyright action in state court. On the other hand, courts

17. See e.g., *Maurel v. Smith*, 220 F. 195, 201 (2d Cir. 1915); 1 NIMMER, *supra* note 1, § 6.12[A], at 6-27.

18. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 121 (1976); S. REP. NO. 473, 94th Cong., 1st Sess. 104 (1975).

19. 17 U.S.C. § 101 (1988).

20. 17 U.S.C. § 201(a) (1988).

21. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 121 (1976); S. REP. NO. 473, 94th Cong., 1st Sess. 104 (1975).

22. 17 U.S.C. § 101 (1988) (definition of *work made for hire*).

23. *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

24. *Grubb v. Public Utils. Commn.*, 281 U.S. 470, 476 (1930); see also 28 U.S.C. § 1331 (1988) (defining federal question jurisdiction).

25. 28 U.S.C. § 1338(a) (1988) ("Such jurisdiction shall be exclusive of the courts of the states in . . . copyright cases.").

have traditionally considered many of the disputes over transfer of copyright ownership to be state contract questions.²⁶ The federal courts have jurisdiction only over contract disputes that satisfy the requirements of diversity or supplemental jurisdiction and will dismiss claims if incorrectly brought in federal court.²⁷ The plaintiff must therefore make the correct choice of forum or suffer dismissal.²⁸ This problem of battling exclusivities occurs only in the few areas of exclusive federal jurisdiction,²⁹ and it can cause substantial hardship if, as in the case of joint ownership and the duty to account, the proper forum is unclear.

Under the Copyright Act of 1909, copyright initially vested in the employer in the case of a work made for hire.³⁰ The 1909 Act left to the courts the task of defining the terms *employer* and *works made for hire*.³¹ Courts eventually concluded that a work was made for hire when the employer had the right to control or supervise the creation of the work;³² the employer did not have to participate in or have actual control over its creation.³³ This "right to control" standard presumed that a person who hired either an independent contractor or a traditional employee to produce a work was the statutory author and thus the copyright owner.³⁴

The Copyright Act of 1976 and its interpretation in *Community for Creative Non-Violence v. Reid*³⁵ radically curtailed the work-for-hire doctrine. The 1976 Act limits works made for hire to two types: first, works prepared by employees, and second, certain categories of works prepared by independent contractors.³⁶ A work created by an independent contractor qualifies as a work made for hire only if it falls under one of nine categories enumerated in the definition, and only if the parties expressly agree in writing to consider it a work made for

26. See 13B CHARLES A. WRIGHT ET AL., *FEDERAL PRACTICE AND PROCEDURE: JURISDICTION AND RELATED MATTERS* § 3582, at 310-13 (2d ed. 1984).

27. See *id.* at 313.

28. See, e.g., *Maxey v. R.L. Bryan Co.*, 368 S.E.2d 466 (S.C. Ct. App. 1988) (plaintiff's breach of contract suit over a copyright was dismissed when the state court held that construction of the copyright statute was required).

29. See, e.g., 18 U.S.C. § 2231 (1988) (federal crimes); 28 U.S.C. § 1334 (1988) (bankruptcy); 28 U.S.C. § 1338(a) (1988) (patent and copyright cases); 28 U.S.C. § 1351 (1988) (actions against consuls and vice consuls).

30. Copyright Act of 1909, ch. 320, sec. 62, 35 Stat. 1075, 1087-88.

31. Matthew R. Harris, Note, *Copyright, Computer Software, and Work Made for Hire*, 89 MICH. L. REV. 661, 670 (1990).

32. See 1 NIMMER, *supra* note 1, § 5.03[B][1][a]; *Shapiro, Bernstein & Co. v. Bryan*, 123 F.2d 697, 700 (2d Cir. 1941).

33. See 1 NIMMER, *supra* note 1, § 5.03[B][1][a].

34. See Harris, *supra* note 31, at 671-73.

35. 490 U.S. 730 (1989).

36. 17 U.S.C. § 101 (1988) (definition of *work made for hire*).

hire.³⁷ This provision changes previous law considerably, giving the independent contractor, rather than the hiring party, the initial copyright in a work unless the work falls under one of the exceptions.

Some courts resisted this interpretation for several years,³⁸ even though a plain reading of the statute supports it.³⁹ *Community for Creative Non-Violence v. Reid*⁴⁰ ended the controversy by holding that the principles of the general common law of agency⁴¹ determine whether a creator is an employee or an independent contractor.⁴² If the creator is an independent contractor and the work does not fall under one of the nine enumerated categories, the copyright initially vests with the creator.⁴³

Reid will likely increase litigation under the definition of *joint work* in the 1976 Act.⁴⁴ Before *Reid*, joint authorship problems seldom arose because the copyright almost inevitably vested in the hiring party. But now that copyright will more often initially vest with creators, questions involving the scope of each author's contribution to the work and the authors' intentions to create a joint work will necessarily arise. For example, independent contractors may dispute copyright ownership with their employers.⁴⁵ Or the actual creators of a work may dispute copyright ownership among themselves. These new joint authorship disputes will often produce concomitant demands for an accounting, putting greater pressure on courts to decide whether the duty to account is state or federal law.⁴⁶

37. 17 U.S.C. § 101(2) (1988). These categories include works that are commissioned for use [1] as a contribution to a collective work, [2] as a part of a motion picture or other audiovisual work, [3] as a translation, [4] as a supplementary work, [5] as a compilation, [6] as an instructional text, [7] as a test, [8] as answer material for a test, or [9] as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

38. See, e.g., *Aldon Accessories v. Spiegel, Inc.*, 738 F.2d 548 (2d Cir.), cert. denied, 469 U.S. 982 (1984) (actual control by the hiring party held to make creator an employee, not an independent contractor); *Peregrine v. Lauren Corp.*, 601 F. Supp. 828, 829 (D. Colo. 1985) (right to control by hiring party held to make creator an employee).

39. See 17 U.S.C. § 101 (1988) (definition of *work made for hire*).

40. 490 U.S. 730 (1989).

41. See RESTATEMENT (SECOND) OF AGENCY § 220 (1957) (definition of a servant).

42. *Reid*, 490 U.S. at 751-52.

43. *Reid*, 490 U.S. at 753.

44. 17 U.S.C. § 101 (1988).

45. *Reid* itself is an example of an employer-independent contractor dispute and of the increased importance of joint authorship under the 1976 Act. In *Reid*, a sculptor was hired to create a statue as part of a larger work being built by the hiring party. Under the 1909 Act, the copyright to the sculpture would have automatically vested in the hiring party. But here the Supreme Court held that the sculptor was an independent contractor and thus had the initial copyright to his sculpture. The Court left open, probably for further litigation, the possibility that the combined work could be considered a joint work. 490 U.S. at 753.

46. But see 1 ABRAMS, *supra* note 1, § 4.02[C][1][a][i] (claiming that the *Restatement* definition of employee is nothing more than a "right to control" standard, similar to that prevailing before the enactment of the 1976 Act; thus, the rights of independent contractors are not expanded under *Reid*).

Because the federal courts have exclusive jurisdiction in copyright cases,⁴⁷ this increase in cases may create practical problems. For example, if a plaintiff commissions and closely directs the creation of a work by an independent contractor and then brings suit against the contractor, the plaintiff has two possible claims: sole or joint authorship. He may claim infringement based on sole authorship, arguing that he is the author "in the same way a poet is author of a poem that she dictates to a stenographer."⁴⁸ He may also have the option of claiming sole authorship and infringement under the work-for-hire doctrine, arguing that the work falls under one of the nine enumerated categories of section 101(2) of the 1976 Act. In either case, the action must be pursued in federal courts against the independent contractor.

Alternatively, the plaintiff may base his claim on joint authorship in the work by virtue of his contribution to the creation.⁴⁹ As a joint author, he would have to sue for an accounting, not for infringement. If the plaintiff brings the action in federal court, he runs the risk of dismissal if the court disallows the infringement count; if he proceeds in state court, the same fate may await him if the court holds that the accounting rule is an exclusively federal action.⁵⁰

The jurisdictional issue is not the only question concerning duty to account that the courts will have to resolve as these cases arise with increasing frequency. The courts must also decide how to apportion profits among coauthors. In *Reid*, the D.C. Circuit ruled that anyone who contributes more than a de minimis amount to the work is a co-author⁵¹ and receives an equal share of the profits, "even where it is clear that [the] respective contributions to the work are not equal."⁵²

47. 28 U.S.C. § 1338(a) (1988); see *supra* notes 24-29 and accompanying text.

48. Marci A. Hamilton, Note, *Commissioned Works as Works Made for Hire Under the 1976 Copyright Act: Misinterpretation and Injustice*, 135 U. PA. L. REV. 1281, 1303 & n.118 (1987), cited in 1 NIMMER, *supra* note 1, § 5.03[B] n.84; see also Community for Creative Non-Violence v. Reid, 846 F.2d 1485, 1491 n.8 (D.C. Cir. 1988) ("Henry Moore, for example, engaging others to execute his fine art"), *aff'd*, 490 U.S. 730 (1989). Such claims of sole authorship have often prevailed. See, e.g., Gallery House, Inc. v. Li, 582 F. Supp. 1294 (N.D. Ill. 1984) (plaintiff, who had given detailed sketches of statues to defendant moldmakers, was held to be sole author of statues produced by defendants); M.S.R. Imports, Inc. v. R.E. Greenspan Co., 220 U.S.P.Q. (BNA) 361 (E.D. Pa. 1983) (plaintiff, who directed defendant artists to put a Coke logo on the side of a wagon design in the public domain, held to be sole author).

49. See, e.g., *Reid*, 846 F.2d at 1497 (a statue sculpted by Reid, whose work was generally directed by CCNV, coupled with a pedestal for the statue built by CCNV, "might qualify as a textbook example of a jointly authored work . . .").

50. Federal jurisdiction will be exclusive if the court finds jurisdiction under the copyright jurisdiction statute, 28 U.S.C. § 1338(a) (1988).

51. *Reid*, 846 F.2d at 1496. The Supreme Court opinion shed no further light on the copyrightability standard; it merely cited the statutory definition of *joint work*, 17 U.S.C. § 101. 490 U.S. at 735.

52. *Reid*, 846 F.2d at 1498, quoting 1 NIMMER, *supra* note 1, § 6.08, at 6-20. The Ninth Circuit, on the other hand, has ruled that "joint authorship requires each author to make an independently copyrightable contribution." Ashton-Tate Corp. v. Ross, 916 F.2d 516, 521 (9th Cir. 1990); see Norbert F. Kugele, Note, *How Much Does It Take?: Copyrightability as a Mini-*

This rule leads to equitable results only when a small number of joint authors contribute roughly equally to a work. When persons making varying contributions to a work all claim joint author status, however, the proceeds from the work will be distributed unfairly. As fewer employers automatically obtain sole ownership of copyright, such fact patterns may occur with greater frequency.

This apportionment of profits among joint owners is not a jurisdictional issue, but its resolution depends on the source of the duty to account. If courts determine that the duty to account is federal law, federal courts will have a greater hand in fashioning the law that apportions the profits among joint owners. Thus, deciding whether the accounting rule is of state or federal origin will shape the evolution of the rule.

II. HISTORY OF THE DISPUTE OVER WHETHER THE DUTY TO ACCOUNT IS A STATE OR A FEDERAL QUESTION

This Part outlines the case law relevant to a copyright coowner's duty to account to other owners. These decisions show that the duty to account arose in its modern form almost entirely by means of federal court decisions. The origination of the accounting rule in the federal courts supports the claim that the accounting rule is a federal common law remedy.

Three overlapping stages in the case law define the development of the jurisdictional question. Section II.A discusses the period beginning in the early part of the century, but developing mostly in the 1940s and 1950s, in which courts created the duty of a coowner to account to other joint owners of a copyright. The decisions of this era, rendered almost entirely by the federal courts, never explicitly mentioned the jurisdictional question. Section II.B discusses the next line of case law, which began in the late 1950s and continues to the present. These courts have held that the duty to account is a state common law remedy. Most have held that only infringement can be litigated under federal law, and that an action to determine title alone, the crux of most accounting cases, is not a federal question. Barring diversity jurisdiction or pendent jurisdiction arising from other federal claims, these courts have dismissed cases concerning the duty to account. Finally, section II.C discusses two cases from the 1980s holding that at least some disputes over the duty to account involve the application and interpretation of the copyright ownership provisions of the 1976 Act and so are properly federal questions.

mum Standard for Determining Joint Authorship, 1991 U. ILL. L. REV. 809 (discussion of the circuit split regarding the copyrightability standard).

A. *Early Cases*

The earliest American cases dealing with joint ownership of copyright and the duty to account were actually state, not federal, cases. These decisions, however, held that a coowner had no duty to account for profits, and thus they cannot be considered the source of the modern accounting rule. These courts apparently derived jurisdiction from the assumption that joint ownership of copyright was identical to common law tenancy-in-common and was hence a state law matter.

The first American case dealing with joint ownership and the duty to account, *Carter v. Bailey*,⁵³ involved the reproduction of a copyrighted book by one owner without the consent of the other owner. The Supreme Judicial Court of Maine held that the defendant could reproduce the book without consent and with no duty to account for the profits. In another early state court case, *Nilsson v. Lawrence*,⁵⁴ the court held that coowners of a play could exploit the play without the consent of other coowners and refused to award the plaintiff either an injunction stopping the production of the play or an accounting for profits. Neither of these state courts explicitly mentioned the jurisdictional question. Both apparently considered the coowners to be tenants in common and applied common law property rules.⁵⁵

The federal courts originated the modern duty to account after the enactment of the Copyright Act of 1909.⁵⁶ The 1909 Act failed to address many copyright problems,⁵⁷ including the problems of joint ownership. To fill these gaps, the federal courts, especially the Second Circuit, played an increasing role in adapting the language of the statute to the needs of the modern publishing and communication industries.

The federal courts' attempts to fashion the rights and remedies of copyright coowners began in 1915 with Judge Learned Hand's opinion in *Maurel v. Smith*.⁵⁸ *Maurel* contains the first judicial recognition of the duty to account.⁵⁹ The plaintiff, an author of a comic opera, brought suit against her coauthors, who had taken out a copyright in their names only and entered into a licensing agreement with a publisher. The court held that the defendants held the copyright in a con-

53. 64 Me. 458 (1874).

54. 133 N.Y.S. 293 (N.Y. App. Div. 1912).

55. 133 N.Y.S. at 295. For a short survey of common law tenancy in common as it relates to copyright, see Note, *supra* note 10, at 1554-55.

56. Ch. 320, 35 Stat. 1075 (1909).

57. For example, such important terms as *employer* and *work made for hire* were left undefined. See Harris, *supra* note 31, at 670. Congress tried unsuccessfully several times between 1924 and 1974 to rewrite the 1909 Act. Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857, 857-58 (1987).

58. 220 F. 195 (S.D.N.Y. 1915), *aff'd*, 271 F. 211 (2d Cir. 1921).

59. See Vern G. Davidson, Comment, *Problems in Co-ownership of Copyrights*, 8 UCLA L. REV. 1035, 1040-41 (1961).

structive trust for the plaintiff, and so were “accountable to the plaintiff [to] share and share alike” the royalties from the license.⁶⁰ The defendant unsuccessfully challenged the court’s jurisdiction, but only on the basis that the amount in controversy did not reach the minimum of \$3000 then required for federal jurisdiction.⁶¹ The silence of the record implies that federal jurisdiction over the dispute was otherwise uncontroversial.⁶² The federal courts reaffirmed the accounting rule of *Maurel v. Smith* in several decisions beginning in the 1940s.⁶³ By this time, the federal cases acknowledged the two bases for the duty to account: the theory of a constructive trust between coowners and the theory of depletion or destruction of the copyright by one coowner.⁶⁴

State cases recognizing the duty to account, on the other hand, came later than these early federal cases and relied on them as precedent. The leading state case, *Jerry Vogel Music Co. v. Miller Music*,⁶⁵ relied entirely on federal precedent⁶⁶ to reject the holding of *Carter v. Bailey*.⁶⁷ *Brown v. Republic Productions*,⁶⁸ adjudicated by the Califor-

60. *Maurel*, 220 F. at 201.

61. *Maurel*, 220 F. at 202. The \$3000 amount-in-controversy requirement leads to a puzzle over jurisdiction. The court must have taken jurisdiction based on either a federal question or diversity, both of which had a \$3000 amount-in-controversy requirement in 1915. 13B WRIGHT ET AL., *supra* note 26, § 3561.1, at 5. The court apparently did not base jurisdiction on the copyright jurisdiction statute, which has never had an amount-in-controversy requirement. See Act of Mar. 3, 1911, ch. 231, § 24, 36 Stat. (pt. 1) 1087, 1091-92 (\$3000 requirement for diversity and federal question jurisdiction; no amount in controversy required for copyright cases). If the court relied on diversity jurisdiction, it may have created the accounting rule under the federal general common law, rather than state law, since the decision took place before *Erie R.R. Co. v. Tompkins*, 304 U.S. 64 (1938) (invalidating federal general common law).

62. See also *Klein v. Beach*, 232 F. 240, 247 (S.D.N.Y. 1916), *affd.*, 239 F. 108 (2d Cir. 1917) (“Here both Beach and Klein became the owners of Klein’s drama, and each could then do with it what he pleased, with the duty of accounting over.”).

63. See, e.g., *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569 (applying accounting rule in copyright dispute over the musical work *12th Street Rag*), *modified*, 223 F.2d 252 (2d Cir. 1955); *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 73 F. Supp. 165 (S.D.N.Y. 1947) (applying accounting rule to song *My Melancholy Baby*); *Edward B. Marks Music Corp. v. Wonnell*, 61 F. Supp. 722 (S.D.N.Y. 1945) (finding parties to be coowners of song and therefore entitled to share equally in royalties); *Crosney v. Edward Small Prods.*, 52 F. Supp. 559 (S.D.N.Y. 1942) (acknowledging rights of coowners to an accounting of profits from motion picture rights to a play); see also *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 140 F.2d 266 (2d Cir. 1944) (in a suit involving an injunction, rather than an accounting, the renewal of the copyright by one joint owner made him a constructive trustee for the other coowners). See generally Davidson, *supra* note 59, at 1040-44 (general discussion of early accounting cases). These decisions occurred after *Erie*, so they cannot be examples of federal general common law. See *supra* note 61.

64. See *supra* notes 15-17 and accompanying text.

65. 74 N.Y.S.2d 425 (N.Y. App. Div. 1947), *affd.*, 87 N.E.2d 681 (N.Y. 1949).

66. 74 N.Y.S.2d at 427. The court cited *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 73 F. Supp. 165 (S.D.N.Y. 1947) (*My Melancholy Baby*), as well as other federal precedent discussed above.

67. 64 Me. 458 (1874); see *supra* notes 53-55 and accompanying text.

68. 156 P.2d 40 (Cal. Dist. Ct. App.), *affd.*, 161 P.2d 796 (1945); *Brown v. Republic Prods.*, 156 P.2d 42 (Cal. Dist. Ct. App.), *affd.*, 161 P.2d 798 (1945) (companion case).

nia state courts in 1945, acknowledged an author's duty to account to his coauthors for the profits from licensing a song.⁶⁹ Unlike the previous cases, however, the *Brown* cases unquestionably triggered state jurisdiction because the songs at issue were unpublished and thus protected only by state common law, not federal statutory, copyright.⁷⁰

In summary, the federal cases originated the accounting rule after it had been rejected by early state court cases. The federal courts, which made no explicit mention of the jurisdictional question, seemed to have taken federal jurisdiction as a given.⁷¹ State courts began to enforce the duty to account only after the federal courts had settled the scope of the duty.

B. Cases Denying Federal Jurisdiction over the Duty To Account

A line of cases beginning in the late 1950s holds that claims involving the duty to account do not give rise to federal jurisdiction.⁷² The duty to account rarely arises in isolation; it flows from a title dispute among copyright owners over either a contractual assignment of the copyright or joint authorship.⁷³ For either contract or joint authorship cases, this line of authority considers the adjudication of a copyright title dispute and the concomitant duty to account to be exclusively a state court matter.⁷⁴

Some cases decided in the Second Circuit have taken the position that federal jurisdiction is only proper when the complaint alleges copyright infringement. These courts consider any other copyright cause of action, including the duty to account, to be based on state law. *Harrington v. Mure*,⁷⁵ a joint authorship case, illustrates this position. The plaintiff sued for a declaration that he was a coowner of a copyright, for an assignment of his share of the copyright, and for an accounting for the profits.⁷⁶ The court held that,

69. 156 P.2d at 41.

70. The 1976 Act completely preempts common law copyright, thus eliminating the role of the states in protecting these rights in unpublished works. 17 U.S.C. § 301(a) (1988).

71. None of the cases makes clear whether the federal courts were relying on diversity jurisdiction or federal question or copyright jurisdiction. See *supra* note 61. The absence of any language explaining federal jurisdiction in most of these cases indicates that the courts did not address the question at all. The most likely explanation is that the courts had simply not thought through the jurisdictional question, perhaps because no party raised it.

72. See, e.g., *Gorham v. Edwards*, 164 F. Supp. 781, 783 (S.D.N.Y. 1958) (early dispute over agreement for exclusive rights to a song in which court held that the suit for an injunction and an accounting arose "'out of the contract, and is not one arising under the copyright statute, and the federal courts are without jurisdiction'" (quoting *Danks v. Gordon*, 272 F.2d 821, 827 (2d Cir. 1921)).

73. See cases cited *supra* section II.A.

74. 3 NIMMER, *supra* note 1, § 12.01[A], at 12-14.

75. 186 F. Supp. 655 (S.D.N.Y. 1960) (plaintiff alleged that he coauthored a musical composition with the defendants).

76. 186 F. Supp. at 656.

[a]bsent a basis for a claim of infringement, a case presenting a claim of equitable ownership with a prayer for an assignment and an accounting does not “arise under the Copyright Law.” . . . The sources of the obligations to assign and to account are equitable doctrines relating to unjust enrichment and general principles of law governing the rights of co-owners, not remedial provisions of the Copyright Law.⁷⁷

Other cases extended the *Harrington* holding to deny federal jurisdiction to contract cases.⁷⁸ Courts have also denied federal jurisdiction to accounting cases whose classification as joint authorship or contract cases is ambiguous.⁷⁹ Despite the holdings in these cases, however, state courts have rarely taken up *Harrington*’s invitation to litigate copyright accounting cases.⁸⁰

C. Cases Recognizing Federal Jurisdiction over the Duty To Account

Like previous Second Circuit cases, *T.B. Harms Co. v. Eliscu*⁸¹ held that a dispute over an alleged assignment of copyright renewal rights did not arise under the copyright laws and thus did not give rise to federal jurisdiction. The reasoning employed by the *Harms* court, however, differed from that of other Second Circuit cases such as *Harrington*,⁸² which claimed that federal jurisdiction arose only in actions of infringement. The *Harms* court concluded that in certain circumstances, remedies not expressly granted by the Copyright Act should trigger federal jurisdiction. Judge Friendly, writing for the court, formulated a three-pronged test to guide courts in deciding when an ac-

77. *Harrington*, 186 F. Supp. at 657-58 (citations and footnote omitted).

78. See, e.g., *Cresci v. Music Publishers Holding Corp.*, 210 F. Supp. 253 (S.D.N.Y. 1962) (suit to declare a copyright assignment void by reason of fraud and to get an accounting for the profits). *Cresci* held that, absent a claim of copyright infringement, “a federal court has no original jurisdiction to hear and decide a claim of title to a copyright.” 210 F. Supp. at 257; see *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984) (parties were coowners of a book by means of a business partnership). Citing *Harrington*, the *Oddo* court held that a suit to bring a coowner to account “does not fall within the district court’s jurisdiction,” 743 F.2d at 633 n.2; i.e., it is a state law matter. See also *Ashton-Tate Corp. v. Ross*, 916 F.2d 516, 522 (9th Cir. 1990) (in dicta, citing with approval *Oddo*’s holding that the duty to account does not derive from federal copyright law); *Motown Record Corp. v. George A. Hormel & Co.*, 657 F. Supp. 1236, 1241 (C.D. Cal. 1987) (explaining the *Oddo* holding in dicta).

79. See, e.g., *Keith v. Scruggs*, 507 F. Supp. 968 (S.D.N.Y. 1981); *Newman v. Crowell*, 205 U.S.P.Q. (BNA) 517 (S.D.N.Y. 1979). These cases have elements of contract and joint authorship cases. The plaintiff in *Keith* was allegedly a joint author who licensed his coauthor to exploit the copyright; the plaintiff in *Newman* assigned his rights to his coauthor in return for royalties. Both cases were dismissed for lack of federal subject matter jurisdiction, the courts holding that “[a]n action to establish title is not one ‘arising under’ the Copyright Act . . .” *Keith*, 507 F. Supp. at 970 (quoting *Newman*); *Newman*, 205 U.S.P.Q. (BNA) at 519.

80. But see *Mountain States Properties v. Robinson*, 771 P.2d 5, 7 (Colo. Ct. App. 1988) (rare example of state court taking jurisdiction of a copyright accounting case on the authority of *Harrington* and *Oddo*).

81. 339 F.2d 823 (2d Cir. 1964), cert. denied, 381 U.S. 915 (1965).

82. *Harrington v. Mure*, 186 F. Supp. 655 (S.D.N.Y. 1945); see *supra* notes 75-77 and accompanying text for a discussion of this case.

tion involving a copyright arises under the copyright laws. This test was the basis for recent cases holding that the duty to account arises under the copyright laws in certain circumstances and thus should be subject to federal jurisdiction.⁸³

The *Harms* test states that an action arises under the copyright laws

[1] if and only if the complaint is for a remedy expressly granted by the Act, . . . or [2] asserts a claim requiring construction of the Act, . . . or, [3] at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim.⁸⁴

The first prong of the *Harms* test merely covers the remedies for "a suit for infringement"⁸⁵ now listed in chapter 5 of the current Copyright Act.⁸⁶ The next two prongs, however, expand the jurisdiction of the court beyond actions solely for infringement.

Lieberman v. Estate of Chayefsky was the first case to establish federal jurisdiction over the duty to account using the *Harms* test.⁸⁷ The plaintiff in *Lieberman* claimed to have coauthored a novel and screenplay with the defendant. When the plaintiff sought a declaratory judgment of joint ownership and an accounting for the profits, the defendant moved to dismiss for lack of subject matter jurisdiction. The court determined that the central issue in the case was the resolution of the claim for joint authorship, which derives from the definition of *joint work* in the Copyright Act.⁸⁸ Relying on the second prong of the *Harms* test, the court held that "[r]esolution of the central issue in this case depends upon the application and interpretation of this statutory definition"⁸⁹ and that the court thus had subject matter jurisdiction over the claims.

Goodman v. Lee,⁹⁰ a Fifth Circuit case with similar facts, followed the reasoning of *Lieberman*. The plaintiff sought a declaratory judgment that she was a coauthor of a song as well as an accounting for her share of the profits. The district court granted the defendant's motion for summary judgment for lack of subject matter jurisdiction. The appeals court reversed, using the second prong of the *Harms* test and citing *Lieberman* to validate federal jurisdiction.⁹¹ The *Goodman*

83. See *Goodman v. Lee*, 815 F.2d 1030 (5th Cir. 1987); *Lieberman v. Estate of Chayefsky*, 535 F. Supp. 90 (S.D.N.Y. 1982).

84. *Harms*, 339 F.2d at 828.

85. 339 F.2d at 828.

86. 17 U.S.C. §§ 501-10 (1988).

87. 535 F. Supp. 90 (S.D.N.Y. 1982).

88. 17 U.S.C. § 101 (1988).

89. *Lieberman*, 535 F. Supp. at 91.

90. 815 F.2d 1030 (5th Cir. 1987).

91. *Goodman*, 815 F.2d at 1031-32. The reasoning of the *Goodman* court differed formally from that of *Lieberman*, although the result was identical. *Goodman* held that resolution of the

court attempted to distinguish this case from earlier Second Circuit cases, including *Harrington v. Mure*,⁹² denying federal jurisdiction in copyright accounting cases. The court characterized the earlier cases as contract cases, whereas *Goodman* and *Lieberman* involved the construction of the joint authorship provisions of the Act.⁹³ *Goodman* implied that previous case law supported federal jurisdiction for joint authorship cases but not for contract cases.⁹⁴

Although *Goodman*'s distinction between contract and joint authorship cases may be logical and correct, it does not accurately reflect the cited case law. Previous cases decided in the Second Circuit denied federal jurisdiction to both types of copyright accounting cases.⁹⁵ The facts of *Harrington*, for example, are nearly identical to those of *Goodman*: the plaintiff, alleging that he was a coauthor of a musical composition, sought a declaration of coownership and an accounting for his share of the profits, but the court denied federal jurisdiction.⁹⁶ Both *Goodman* and *Harrington* are joint authorship cases, and both, according to *Goodman*, should give rise to federal jurisdiction.⁹⁷ The *Goodman* court, despite its claims to the contrary, was thus unsuccessful in reconciling the earlier case law.

D. Summary of the Circuit Split

Until *Lieberman* was decided in 1984, the Second Circuit adhered to a near-blanket rule that an action to establish title does not arise under the Copyright Act and is thus a state law question. Since most cases concerning the duty to account arise under disputes of title between joint owners, the Second Circuit relegated the duty to account to state courts, barring supplementary or diversity jurisdiction. The

case depended on the interpretation of the copyright ownership provisions of 17 U.S.C. § 201(a), rather than the statutory definition of joint work in 17 U.S.C. § 101. 815 F.2d at 1031-32.

92. 186 F. Supp. 655 (S.D.N.Y. 1960); see also *supra* notes 75-77 and accompanying text (discussing *Harrington*). The court also cited *Rotardier v. Entertainment Co. Music Group*, 518 F. Supp. 919 (S.D.N.Y. 1981), and *Keith v. Scruggs*, 507 F. Supp. 968 (S.D.N.Y. 1981). See *supra* note 79 (discussing *Keith*).

93. *Goodman*, 815 F.2d at 1032.

94. "[T]he issue [in *Rotardier*] INVOLVED A CONTRACT, THE SUBJECT OF WHICH WAS A COPYRIGHT. GOODMAN'S CLAIM, IN CLEAR CONTRAST, INVOLVES THE VALIDITY OF THE COPYRIGHT ITSELF UNDER THE COPYRIGHT ACT." *Goodman*, 815 F.2d at 1032; see also 3 NIMMER, *supra* note 1, § 12.01[A], at 12-11 n.48 ("More precisely, the [*Goodman*] court should have described Goodman's claim as raising the question of *joint authorship* under the Copyright Act, as the *validity* of the copyright was not at issue in that case."). With this understanding, the quoted language from *Goodman* distinguishes joint authorship cases, which give rise to federal jurisdiction, from contract cases, which do not.

95. See *supra* section II.B.

96. *Harrington*, 186 F. Supp. at 656; see *supra* text accompanying notes 75-77.

97. The court was more accurate in its assessment of the other two cited cases. It correctly characterized *Rotardier v. Entertainment Co. Music Group*, 518 F. Supp. 919 (S.D.N.Y. 1981), as a contract case — no issue of joint authorship arose at all. On the other hand, *Keith v. Scruggs*, 507 F. Supp. 968 (S.D.N.Y. 1981), involved both joint authorship and contract issues.

Ninth Circuit adopted this rule in *Oddo v. Ries*,⁹⁸ where it apparently reigns unchallenged. The district court in *Lieberman v. Estate of Chayefsky*⁹⁹ recently questioned the Second Circuit precedents by granting federal jurisdiction over a claim for a declaration of copyright title and an accounting. The Fifth Circuit followed the *Lieberman* analysis in *Goodman v. Lee*.¹⁰⁰

Thus, the rule in the Ninth Circuit renders the duty to account a state law question. Federal courts in the Fifth Circuit accept jurisdiction over duty-to-account claims in cases involving joint authorship. The Second Circuit rule is itself unsettled; under *Lieberman*, the most recent case, the duty to account will also be decided by federal courts in cases involving joint authorship.

The Fifth Circuit attempted to resolve this divergence by claiming that in all circuits an action to establish title, and the concomitant duty to account, arises under federal copyright law when the claim involves a dispute over joint authorship; when the claim involves a contract dispute, however, an action to establish title flows from state common law principles.¹⁰¹ Although the logic of this position may be sound, it does not accurately reflect the present state of the case law in the Second and Ninth Circuits. In these circuits, joint authorship claims have been held not to arise under the copyright laws, and the holdings of both contract and joint authorship cases are often written in language that categorically excludes from federal courts any actions other than actions for infringement. Part III of this Note sorts out the logic underlying these positions.

III. THE CLAIM FOR FEDERAL JURISDICTION OVER THE DUTY TO ACCOUNT

A federal court that has received a copyright complaint requesting an accounting must consider two questions before it can exercise jurisdiction. First, it must ask whether the duty to account is federal or a state law. After this preliminary inquiry, it may go on to ask whether federal court is the correct forum for the complaint.

The first question — the source of the duty to account — allows at least two possible answers. A court may hold that copyright ownership, although established by federal law, is merely another form of ownership, governed by ordinary state common law rules. In this view, copyright coowners would be treated like tenants in common of any other type of property.¹⁰² Section III.A argues the contrary the-

98. 743 F.2d 630 (9th Cir. 1984).

99. 535 F. Supp. 90 (S.D.N.Y. 1982).

100. 815 F.2d 1030 (5th Cir. 1987).

101. See *supra* notes 92-94 and accompanying text.

102. See *supra* notes 53-55 and accompanying text.

sis: the duty to account, created by the federal courts as federal common law and ratified by Congress in the Copyright Act of 1976, is more properly considered federal law.

Section III.B discusses the second question, that of the correct forum. If the duty to account comes from federal common law, the federal courts have jurisdiction. The question grows more complicated, however, if courts consider the duty to account to be state law. This section argues that joint authorship cases should trigger federal jurisdiction, even if the source of the accounting remedy is state law, because of the federal interest in construing the joint authorship provisions of the Copyright Act of 1976. Only if the plaintiff claims rights by virtue of contract rights alone — that is, by assignment of copyright — should the federal court dismiss the case in favor of state jurisdiction.

Section III.C discusses the application of the well-pleaded complaint rule to copyright accounting cases. It concludes that if the duty to account is federal law, the rule will not bar federal jurisdiction. If the duty to account is state law, an allegation of joint authorship in the complaint should satisfy the rule.

A. *The Source of the Duty To Account*

This section gives two reasons for considering the accounting rule to be a federal remedy. First, the federal courts created the rule by federal common law. Second, Congress ratified the rule in the Copyright Act of 1976. These developments demonstrate that the source of the duty to account is federal.

1. *Federal Common Law*

Since *Erie Railroad Co. v. Tompkins*,¹⁰³ courts have viewed judicial decisionmaking that creates federal common law with suspicion. Nonetheless, the Supreme Court's statement that "[t]here is no federal general common law"¹⁰⁴ did not end the creation of all federal common law. The *Erie* Court simply held that federal courts sitting in diversity actions must apply the common law of the states to such actions, not a separate federal general common law.¹⁰⁵ On the same day that the Court decided *Erie*, it affirmed that federal courts retained the power to create common law in areas of federal competence.¹⁰⁶

103. 304 U.S. 64 (1938).

104. 304 U.S. at 78.

105. 304 U.S. at 78.

106. *Hinderlider v. La Plata River & Cherry Creek Ditch Co.*, 304 U.S. 92, 110 (1938) (holding that federal common law controlled a border dispute between two states); *see also* *Boyle v. United Technologies Corp.*, 487 U.S. 500 (1988) (applicability of state tort law to government defense contractors);

Courts and commentators have justified the creation of federal common law in several ways,¹⁰⁷ at least three of which may justify the creation of a federal duty to account. First, Congress may have omitted a remedy for joint owners through inadvertence, forcing the courts to create one as an interstitial, gap-filling measure. Second, Congress may have delegated lawmaking power to the federal courts by providing a skeletal legislative scheme, with the expectation that the courts would formulate detailed substantive law as needed. Third, a dominant federal interest in the rights of joint copyright owners may require a federal common law solution and a preemption of state law. This section discusses each of these justifications in turn to see whether they provide adequate support for creating a federal accounting rule.

First, Congress may have simply overlooked the problem, even though it intended to apply federal law. Statute-making is necessarily incomplete because of defects in the political process and the limitations of human foresight.¹⁰⁸ Inadvertent omission is especially likely in copyright law, which is complex and apt to be removed from the experience of most legislators. When a statute is in some way incomplete, the courts often fill the gap.¹⁰⁹ The 1909 Act made no explicit reference to joint ownership,¹¹⁰ but the statute set up the framework in which two authors may jointly create a work, thereby necessitating an apportionment of rights between them. If the statute is silent, but Congress intended federal law to apply in this area, the federal courts have an obligation to supply the missing terms.

Second, Congress may have intended to delegate to the federal courts the power to create substantive law as needed. Courts have often found an implicit delegation of authority to the courts when confronted with a skeletal legislative scheme.¹¹¹ Although the 1909 Act

[A] few areas, involving "uniquely federal interests," . . . are so committed by the Constitution and laws of the United States to federal control that state law is pre-empted and replaced, where necessary, by federal law of a content prescribed (absent explicit statutory directive) by the courts — so-called "federal common law."

487 U.S. at 504 (citations omitted).

107. See generally JACK H. FRIEDENTHAL ET AL., CIVIL PROCEDURE § 4.7 (1985) (discussion of the situations in which federal courts have applied federal common law).

108. Paul J. Mishkin, *The Variousness of "Federal Law": Competence and Discretion in the Choice of National and State Rules for Decision*, 105 U. PA. L. REV. 797, 799-800 (1957).

109. See, e.g., *Urie v. Thompson*, 337 U.S. 163, 180-87 (1949) (determining the meaning of vague words in the statute); Note, *Federal Statutes Without Limitations Provisions*, 53 COLUM. L. REV. 68 (1953) (discussion of cases where the federal courts supplied missing statutes of limitations). Some consider such interstitial lawmaking to be statutory interpretation, rather than common law. But see Peter Westen & Jeffrey S. Lehman, *Is There Life for Erie After the Death of Diversity?*, 78 MICH. L. REV. 311, 332 (1980) (asserting that the difference between statutory interpretation and common law is "a difference in emphasis rather than a difference in kind").

110. See Act of July 30, 1947, ch. 391, 61 Stat. 652 (repealed 1976) (codification of the Copyright Act of 1909 with amendments); see also 1 NIMMER, *supra* note 1, § 6.01, at 6-2 n.1.

111. See, e.g., *Textile Workers Union v. Lincoln Mills*, 353 U.S. 448, 456-57 (1957) (construing jurisdictional statute to be an implicit delegation of authority to fashion a body of federal labor law). Most common are the cases in which the courts find an implied private right of

as a whole cannot be considered skeletal, the complete lack of reference to joint ownership suggests, if not inadvertence, an implicit delegation of authority to the courts to fill in the gaps.¹¹²

Inadvertent omission or congressional delegation of authority seem plausible in light of the highly specialized nature of copyright legislation. The people that it affects are small in number and concentrated in a few narrow geographic areas. Legislators are unlikely to be familiar with the subject, and they are even less likely to have a great deal of interest in the details of the statute they enact. Inevitably, experts — either a few interested legislators, or, more likely, representatives of the affected industries — will draft the statute, and legislators will vote on it with little idea of what it actually contains.¹¹³ Thus, legislative intent, always difficult to determine, is especially nebulous in copyright law.

The peculiar qualities of the 1909 Act make congressional intent even more difficult to ascertain. The 1909 Act is a curious mixture of extreme specificity in some places and broad generalizations in others.¹¹⁴ “[T]he statute . . . leaves the development of fundamentals to the judges. Indeed the courts have had to be consulted at nearly every point, for the text of the statute has a maddeningly casual prolixity and imprecision throughout.”¹¹⁵ The haphazard quality of this statute, coupled with the abstruseness of the subject to most legislators, makes a conclusive determination of specific congressional intent hopeless in many cases. This intent is even more elusive when one is

action in a vaguely worded statute. See, e.g., *J.I. Case Co. v. Borak*, 377 U.S. 426 (1964) (private right of action implied from the Securities Exchange Act of 1934). The Court has recently been more reluctant to create such private rights of action. See *Cort v. Ash*, 422 U.S. 66 (1975); Robert H.A. Ashford, *Implied Causes of Action Under Federal Laws: Calling the Court Back to Borak*, 79 Nw. U. L. REV. 227 (1984). *Borak*, however, involved a subject that had previously been regulated by the states (corporate law). The Supreme Court's reluctance to legitimize federal common law remedies in every corporate law context thus seems reasonable. But the Court may not show equal reluctance to legitimize federal common law remedies created in copyright law, an exclusively federal domain.

112. An implicit delegation seems especially likely, given the jurisprudence of the day. The federal courts in 1909 operated under the pre-*Erie* rule of *Swift v. Tyson*, 41 U.S. (16 Pet.) 1 (1842), which allowed the federal courts to create general common law to govern diversity disputes rather than applying state rules of decision. Thus, Congress would have been aware of the wide powers of the federal courts to fashion common law when it enacted the Copyright Act of 1909, and it might have expected the courts to use those powers in interpreting the Act.

113. The legislative history of the 1976 Act shows that Congress generally left negotiation of specific provisions to interested industries, with legislators acting as mediators to keep the negotiations on track. See Litman, *supra* note 57, at 870-71. Since the problems of drafting the 1909 Act were probably not too dissimilar from those of the 1976 Act, industry was probably also highly involved in shaping the 1909 Act.

114. The 1909 Act is “crammed with details on matters ranging from the formalities of notice, registration, and so forth,” while large questions, such as what elements of a work are protectable, or what takings are actionable, are left open. BENJAMIN KAPLAN, *AN UNHURRIED VIEW OF COPYRIGHT* 38-40 (1967).

115. *Id.* at 40.

searching for the reason for omission of a provision, rather than the reason for inclusion.

Given the absence of direct evidence of congressional intent concerning the lack of joint ownership provisions in the 1909 Act, evidence of congressional intent must come indirectly from considerations of general policy. These policy considerations argue against an intention to leave the rights of joint copyright owners to the states. Suppose Congress intended that the states should choose how to handle the rights of joint copyright owners. The states would have at least three contradictory ways of doing so: each owner might be required to get permission from all other owners before exploiting the copyright (the English rule);¹¹⁶ each owner might be free to exploit the copyright subject to a duty to account (the present accounting rule);¹¹⁷ or each owner might be free to exploit the copyright without any duty to account (as in patent law).¹¹⁸ Allowing the states to choose any of these three would make the rights of copyright coowners uncertain. Furthermore, even assuming each state decided to use the analogy of tenancy-in-common, the application might vary from state to state.¹¹⁹ The rights afforded to joint owners might vary, for example, depending on a state court's choice between the rules of coownership of real property as compared to personal property.¹²⁰

Allowing the states to determine the rights of a copyright coowner is contrary to all the statutory sources of copyright law: first, the copyright statutes aim for national uniformity of rights;¹²¹ second, the jurisdictional statute gives the federal courts exclusive jurisdiction over copyrights,¹²² and finally, a constitutional provision allows the federal government, not the states, to establish an author's exclusive right to his writings.¹²³ If Congress in this instance intended to legislate contrary to its general policy of uniformity of copyright remedy, it

116. See Note, *supra* note 10, at 1558.

117. See *supra* notes 15-17 and accompanying text.

118. 35 U.S.C. § 262 (1988) (allowing joint owners of a patent to exploit their invention without accounting to the other owners).

119. See JESSE DUKEMINIER & JAMES E. KRIER, PROPERTY 321-24 (2d ed. 1988).

120. See Note, *supra* note 10, at 1554-55 (general discussion of common law tenancy-in-common).

121. 17 U.S.C. §§ 101-801 (1988).

122. 28 U.S.C. § 1338(a) (1988). The statute that codified exclusive copyright jurisdiction was passed in 1874. Act of June 22, 1874, ch. 12, § 711, 18 Stat. (pt. 1) 134-35 ("The jurisdiction vested in the courts of the United States . . . shall be exclusive of the courts of the several States: . . . [o]f all cases arising under the . . . copyright laws of the United States."). Federal recognition of the desirability of having nationally uniform federal copyright remedies thus existed when the Copyright Act of 1909 was passed.

123. U.S. CONST. art. I, § 8, cl. 8. This policy favoring national uniformity of copyright law dates back to James Madison, who wrote that "[t]he States cannot separately make effectual provision" for copyright and patent law. THE FEDERALIST NO. 43, at 338 (James Madison) (John C. Hamilton ed., 1868).

would likely do so expressly, rather than by simple omission of any relevant provision.

In sum, the omission of provisions relating to the rather obscure problems of joint authorship was likely either an inadvertent omission or a congressional delegation of authority to fill in gaps in the statutory language. The least likely possibility, given the nature of the statute and the policy considerations outlined above, is that Congress or the drafters actually had a specific intent to leave the remedies afforded joint authors to the states, and that they chose to show this intent by simple omission of any relevant provision.

The third and final justification for the use of federal common law — protection of a dominant federal interest — comes from the Supreme Court's opinion in *Clearfield Trust Co. v. United States*,¹²⁴ which "instructs us that even in the absence of express statute, federal law may govern what might seem an issue of local law because the federal interest is dominant."¹²⁵ The federal government's overriding interest in national uniformity of rights of copyright owners may be a sufficient justification for creation of the duty to account and the preemption of any contrary state law by the federal courts.¹²⁶ Under the *Clearfield Trust* doctrine, the courts should enforce the duty to account until Congress makes clear in legislation that it does not consider such a remedy to be in the federal interest.

Preemption of state law and creation of federal common law on this ground does not depend on a specific congressional intent in 1909 to delegate authority to the courts. Congress may have given absolutely no thought to the problems of joint ownership. Nevertheless, if the federal courts determine that federal interests would be impaired if state law were applied, they may impose a federal common law solution.¹²⁷

The legislative history of the Copyright Act of 1976 provides the

124. 318 U.S. 363 (1943). In a dispute over whether a state rule should apply to commercial paper issued by the U.S. government, the Court held that in the absence of a federal statute, "it is for the federal courts to fashion the governing rule of law according to their own standards." 318 U.S. at 367.

125. *T.B. Harms Co. v. Eliscu*, 339 F.2d 823, 827-28 (2d Cir. 1964) (commenting on the application of the *Clearfield Trust* doctrine to a copyright case); see also Mishkin, *supra* note 108, at 801: "Though this language [of the *Clearfield* decision] speaks directly only of the United States, . . . the basic rationale underlying this passage would seem equally apposite to any issue bearing a substantial relation to an established national government function."

126. See Note, *Federal Jurisdiction: Dominant Federal Interest May Be a Possible Basis for Federal Jurisdiction*, 1965 DUKE L.J. 828, 834 (discussing *Harms* and suggesting that 28 U.S.C. § 1338, the copyright jurisdiction statute, should be interpreted broadly so as to encompass those copyright cases involving a strong federal interest).

127. See, e.g., MARTIN H. REDISH, *FEDERAL JURISDICTION: TENSIONS IN THE ALLOCATION OF JUDICIAL POWER* 84 (1st ed. 1980):

The presence of federal legislation manifests a congressional determination that important federal interests are at stake, which supersedes any competing state concerns. While Congress may not have considered the specific issue before the court, it may still be appropriate in such cases for the federal judiciary to develop its own legal principles.

courts with much evidence about congressional purposes and federal interests in copyright. For example, the legislative history of section 301, which abolished state common law copyright law,¹²⁸ shows that national uniformity of copyright protection is an important goal of copyright law:

One of the fundamental purposes behind the copyright clause of the Constitution, as shown in Madison's comments in *The Federalist*, was to promote national uniformity and to avoid the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various States. Today, when the methods for dissemination of an author's work are incomparably broader and faster than they were in 1789, national uniformity in copyright protection is even more essential than it was then to carry out the constitutional intent.¹²⁹

The federal courts may use this explicitly stated federal interest in national uniformity to justify preempting conflicting state laws and replacing them with a uniform federal duty to account.

By acknowledging that the accounting rule is federal law, federal courts will adjudicate cases that would otherwise have gone to state courts.¹³⁰ Some of these cases may not actually turn on federal issues, and one might argue that a federal accounting remedy is therefore overinclusive. For example, one of the parties in *T.B. Harms v. Eliscu*¹³¹ sought an accounting. At issue was whether one of the coauthors had previously assigned away his renewal rights. Had the court granted federal jurisdiction, the central issue litigated would have been the state contract issue.

Two grounds justify the possible overinclusiveness of a federal accounting remedy. First, many of the cases where plaintiffs seek an accounting involve disputes between joint authors. The federal government has a strong interest in uniform interpretation of the joint

See also Thomas W. Merrill, *The Common Law Powers of Federal Courts*, 52 U. CHI. L. REV. 1, 46 (1985):

Preemptive lawmaking rests on the idea that federal courts can establish legal rule *X*, even where there is no specific intention that they do so, provided it can be shown that rule *X* is necessary in order to avoid frustrating federal policy *Y*, as to which there is a manifestation of specific intent on the part of the enacting body.

Under Professor Merrill's analysis, creating a federal duty to account is legitimate, even in the absence of a specific congressional intent to delegate authority to do so, as long as the court can show that failing to create this remedy will frustrate a clear federal policy, such as uniformity of copyright remedy.

128. Before 1976, copyright in unpublished works was initially secured by state common law copyright. Federal protection became effective only upon publication of the work. The Copyright Act of 1976, 17 U.S.C. § 301(a) (1988), abolished this dual system of copyright laws. The explicit preemption of state law in this area provides an analogy for the courts to follow in displacing any vestigial state law of joint ownership with a federal duty to account.

129. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 129 (1976).

130. See *infra* section III.B.1.

131. 339 F.2d 823 (2d Cir. 1964), *cert. denied*, 381 U.S. 915 (1965).

authorship provisions of the Copyright Act.¹³² Without a federal accounting rule, these issues of joint authorship may be left to state courts.¹³³

Second, the federal interest in uniformity of remedy outweighs the burden of having the federal courts adjudicate even those accounting cases where the federal issues are peripheral. Without a federal accounting rule, states would be free to choose among various ways of allocating rights among coowners of copyright.¹³⁴ Only plaintiffs who allege infringement would have the benefit of a uniform federal rule.

The provisions for copyright infringement demonstrate that Congress is willing to allow an overinclusive remedy to protect the federal interest in uniformity of remedy. To obtain federal jurisdiction, a copyright infringement plaintiff must show three things: the plaintiff's ownership of the copyright; copying by the defendant; and distribution for exhibition.¹³⁵ Ownership usually involves only state law contract issues. But even when the defendant concedes copying and distribution, leaving ownership as the only issue in dispute, the complaint confers federal jurisdiction.¹³⁶ The federal interest lies in uniform, expert application of the federal remedy. The same federal interest arises in an accounting case in which the only dispute is over contract issues.

The state interest in hearing these cases is small. Although states have a legitimate interest in enforcing their contract laws, the federal courts have been the primary adjudicators of copyright law, including many cases that involve state law contract disputes, since federal jurisdiction over copyrights became exclusive over a century ago.¹³⁷ A state's loss of jurisdiction over this small class of specialized cases will only marginally reduce that state's ability to enforce its contract law. In any event, the *Erie* doctrine requires a federal judge who tries an accounting case that involves state contract principles to follow state

132. See, e.g., *Goodman v. Lee*, 815 F.2d 1030, 1031-32 (5th Cir. 1987) (joint authorship case involved "the application and interpretation of the copyright ownership provisions of 17 U.S.C. § 201(a)"); *Lieberman v. Estate of Chayefsky*, 535 F. Supp. 90, 91 (S.D.N.Y. 1982) ("Resolution of the central issue [in a joint authorship case] . . . depends upon the application and interpretation of [the] statutory definition" of joint work, 17 U.S.C. § 101 (1988)).

133. The federal interest in adjudicating joint authorship claims may be sufficiently strong that such cases might justify federal jurisdiction even without a federal accounting remedy. See discussion *infra* section III.B.2. But federal jurisdiction is assured if the accounting remedy is federal.

134. See *supra* text accompanying notes 116-23.

135. See *Effects Assocs. v. Cohen*, 817 F.2d 72, 73 (9th Cir. 1987).

136. See *Vestron, Inc. v. Home Box Office, Inc.*, 839 F.2d 1380, 1381-82 (9th Cir. 1988); *Cohen*, 817 F.2d at 73-74; see also *Arthur Young & Co. v. City of Richmond*, 895 F.2d 967, 971 (4th Cir. 1990) ("The difficulty or centrality of . . . state law questions cannot defeat jurisdiction" over a complaint that properly alleges copyright infringement.).

137. Exclusive federal copyright jurisdiction was codified in 1874 by the Act of June 22, 1874, ch. 12, § 711, 18 Stat. (pt. 1) 134, 134-35 (repealed 1909).

contract law.¹³⁸ Thus, federal courts will vindicate state interests in the small number of cases taken from state courts.

2. Congressional Ratification of the Federal Duty To Account

Although policy considerations suggest that Congress intended to allow the federal courts to create federal common law rules governing joint ownership,¹³⁹ the only direct expression of congressional intent before 1976 came from congressional failure to pass a statute overruling the federal courts. Courts and commentators generally consider such a failure to act to be weak evidence of congressional intent.¹⁴⁰ The Copyright Act of 1976, however, completely revised the 1909 Act¹⁴¹ and provided fresh evidence of congressional intent.

The 1976 Act mentions joint ownership explicitly in two places. It offers a definition of *joint work*,¹⁴² and it provides that joint authors are "coowners of copyright in the work."¹⁴³ Thus, the 1976 Act shows that Congress intended joint authorship at least to be determined by reference to federal statute, not state common law. Although the 1976 Act does not mention the duty to account or coownership in general, the legislative history shows unequivocally that Congress intended to retain the duty to account. The House Committee Report on section 201, after first stating that "court-made law on this point is left undisturbed,"¹⁴⁴ expressly set out the duty to account: coowners are to be "treated generally as tenants in common, with each coowner having an independent right to use or license the use of the work, subject to a duty of accounting to the other coowners"¹⁴⁵

138. See 3 NIMMER, *supra* note 1, § 12.01[A], at 12-3 to -4 ("[C]ontractual rights [concerning copyright] are a matter of state law.").

139. See *supra* notes 116-23 and accompanying text.

140. "Ordinarily, 'Congress' silence is just that — silence." Community for Creative Non-Violence v. Reid, 490 U.S. 730, 749 (1989) (quoting Alaska Airlines v. Brock, 480 U.S. 678, 686 (1987)).

141. Barbara Ringer, Register of Copyrights, wrote of the 1976 Act:

The New Act is . . . a completely new copyright statute, intended to deal with a whole range of problems undreamed of by the drafters of the 1909 Act. . . . Properly designated, the New Act is not a "general revision," but is as radical a departure as was our first copyright statute, in 1790.

Barbara Ringer, *First Thoughts on the Copyright Act of 1976*, 22 N.Y.L. SCH. L. REV. 477, 479 (1977) (footnote omitted).

The Copyright Act of 1909, on the other hand, was mostly "a bringing together of scattered statutory provisions with relatively few changes or innovations." *Id.*

142. "A 'joint work' is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101 (1988). Joint authors, although undefined, are presumably persons who produce a joint work.

143. 17 U.S.C. § 201(a) (1988).

144. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 121 (1976). See *supra* text accompanying note 21.

145. *Id.* For a full text of this part of the report, see *supra* text accompanying note 21.

This language demonstrates that Congress envisioned a national, uniform remedy for coowners.¹⁴⁶ Such a remedy will only occur if it is federal law, binding on all courts.¹⁴⁷ Leaving the states free to choose not to enforce a duty to account, or to require the consent of all coowners before exploitation of the copyright, would undermine congressional intent.

Tracing the legislative history chronologically from 1961 to 1965 by means of the *Copyright Law Revision* provides a similarly straightforward understanding of the legislative intent.¹⁴⁸ The original 1961 report of the Register of Copyrights recommended omitting any mention of the accounting rule in the statute in order to maintain the rule intact from previous case law.¹⁴⁹ This recommendation generated few comments and little controversy.¹⁵⁰ The resulting provisions regarding coownership in the 1964 preliminary draft of the new copyright law were almost identical to those finally passed by Congress in 1976.¹⁵¹ In short, the drafters of the coownership provisions of the 1976 Act essentially borrowed the original 1961 recommendations of the Copyright Office. The purpose of the provisions, as embodied in the House Committee Report, also remained unchanged.

The case law ratified by the 1976 statute held that the duty to account was a federal remedy. Although neither Congress nor the courts likely contemplated the jurisdictional question before the drafters of the Act began work in 1961, the basic outlines of the accounting remedy at that time were fairly clear. By 1976, the duty to account

146. The statute does *not* say that the courts are to apply the rules of tenancy-in-common of the several states. Using state law would imply nonuniformity of remedy. Furthermore, if the law between joint owners were to be left to the states, Congress would have no power to choose tenancy-in-common over, say, joint tenancy as a desirable judicial solution. See *supra* notes 116-20 and accompanying text.

147. The Supreme Court has held that state courts must apply federal common law. *Local 174, Teamsters, Chauffeurs, Warehousemen & Helpers v. Lucas Flour Co.*, 369 U.S. 95 (1962).

148. Most of the work of writing the 1976 Act was done by the collaboration of the Register of Copyrights with various interested industry groups between 1961 and 1965 and presented to Congress in the five-part *Copyright Law Revision*. See 1-5 STAFF OF HOUSE COMM. ON THE JUDICIARY, 87TH-89TH CONG., COPYRIGHT LAW REVISION: REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW (Comm. Print 1961-65) [hereinafter *COPYRIGHT LAW REVISION*].

149. "The rules established by the court decisions in regard to co-owners of a copyright — that any one co-owner may use or license the use of the work, but that he must account for profits to the other co-owners — should be left undisturbed." 1 *Id.* at 90. The Copyright Office saw "no need to restate [these rules] in the statute." 1 *Id.* at 89.

150. A few consultants unsuccessfully recommended changes. For example, Irwin Karp and Melville B. Nimmer recommended adopting the English rule, in which all coowners must agree before the work is exploited. See 2 *id.* at 318, 374.

151. "The authors of a joint work shall be considered co-owners of copyright in the work." A footnote added that a joint work "would be defined elsewhere as a work prepared by two or more authors in collaboration or with the intention that their contributions be merged into indistinguishable or interdependent parts of a unitary whole." Preliminary Draft for Revised U.S. Copyright Law § 14(a), reprinted in 3 *COPYRIGHT LAW REVISION*, *supra* note 148, at 15. Cf. 17 U.S.C. §§ 101, 201(a) (1988) (definition of joint work; status of joint owners).

was a well-established rule, created and applied universally by the federal courts to all copyright coowners regardless of their state residence.¹⁵² Regardless of whether the jurisdiction to hear these cases came from federal question jurisdiction¹⁵³ or the copyright and patent jurisdiction statute,¹⁵⁴ the federal courts — and implicitly Congress — considered the duty to account to be a federal remedy.¹⁵⁵

Even if one ignores the legislative history entirely and looks only at the language of the statute, the Copyright Act of 1976 ratifies previous case law regarding the duty to account. Congressional silence in the Act is stronger evidence of congressional intent than silence before enactment.¹⁵⁶ Congressional silence regarding the accounting rule, especially in an act that is such a radical rethinking of previous copyright law,¹⁵⁷ strongly implies a congressional satisfaction with the status quo.

In sum, the federal courts created the duty to account between copyright coowners through a legitimate use of federal common law. The creation of the duty to account can be considered either an interstitial, gap-filling measure, or the result of an implicit delegation of authority from Congress to create detailed law on joint ownership. Congress ratified this federal common law solution when it passed the Copyright Act of 1976. In its Committee Reports, Congress approved of the court-made law regarding the duty to account and set out the details of that law explicitly. The duty to account is thus federal law, and it should be binding on all courts, state or federal.

B. Jurisdiction

Federal jurisdiction in copyright cases, like all federal question ju-

152. See *supra* section II.A.

153. 28 U.S.C. § 1331 (1988).

154. 28 U.S.C. § 1338(a) (1988).

155. Beginning in 1958 with *Gorham v. Edwards*, 164 F. Supp. 781 (S.D.N.Y. 1958), a few courts in which the plaintiff demanded an accounting began questioning this jurisdictional assumption. See *Cresci v. Music Publishers Holding Corp.*, 210 F. Supp. 253 (S.D.N.Y. 1962); *Harrington v. Mure*, 186 F. Supp. 655 (S.D.N.Y. 1960); see also *supra* section II.B. The courts denied jurisdiction in these cases, declaring that they turned on questions of state contract law or copyright ownership, which traditionally have not given rise to federal jurisdiction. 3 NIMMER, *supra* note 1, § 12.01[A]. The courts apparently considered the duty to account an ancillary issue; for example, in *Gorham*, the court made no mention of the duty to account at all except in its recital of the facts. 164 F. Supp. at 782. The legislative history provides no indication that the drafters of the Copyright Act of 1976 considered these decisions. These cases seem to oppose the congressional intent to define a uniform national duty to account, discussed *supra* notes 145-47.

156. The Supreme Court endorsed this sort of evidence from silence in *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353 (1982), a case involving a private right of action under a federal securities statute that occurred after Congress had amended the statute. When Congress amended the statute, the Court reasoned, it must have known that courts were routinely implying private rights of action to enforce the statute's provisions. Nevertheless, Congress did not prohibit such private rights of action in the amendment. The Court took this as implicit consent to the status quo.

157. See *supra* note 141 and accompanying text.

risdiction, initially derives from the constitutional clause extending federal judicial power to all cases “arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority.”¹⁵⁸ The Supreme Court has interpreted this clause to give Congress the power to confer jurisdiction whenever a federal law is an “ingredient” of a cause of action.¹⁵⁹ Because federal copyright law is an ingredient of any copyright case, federal jurisdiction over the duty to account turns on whether Congress has chosen to confer jurisdiction by statute.

This section shows that jurisdiction for copyright accounting cases depends on whether the courts hold that the accounting rule is federal or state law. If the accounting rule is federal law, as argued in section III.A above, the copyright jurisdiction statute triggers federal jurisdiction. Even if courts hold that the accounting remedy is state common law, the jurisdiction statute triggers federal jurisdiction for joint authorship cases, leaving only contract cases to be adjudicated solely in state courts.

1. *Federal Accounting Rule*

Section III.A argued that the duty to account is a common law creation of the federal courts and is thus a federal remedy. A federal common law remedy gives rise to federal jurisdiction in the same way as an explicit statutory remedy.¹⁶⁰ Thus, any copyright coowner who seeks an accounting should be able to raise his claim in federal court. Because courts developed the duty to account to fill a gap in the copyright laws, jurisdiction over the accounting rule falls under section 1338, the patent and copyright jurisdiction statute,¹⁶¹ rather than section 1331, the federal question jurisdiction statute.¹⁶² Section 1338 gives exclusive jurisdiction to the federal courts.¹⁶³ Accounting rule

158. U.S. CONST. art. III, § 2, cl. 1.

159. *Osborn v. Bank of the United States*, 22 U.S. (9 Wheat.) 738, 824 (1824); *see also* 13B WRIGHT ET AL., *supra* note 26, § 3562, at 22 (discussing the extreme breadth of constitutionally permitted federal jurisdiction).

160. *See Illinois v. City of Milwaukee*, 406 U.S. 91, 100 (1972) (“§ 1331 [federal question] jurisdiction will support claims founded upon federal common law as well as those of a statutory origin.”); REDISH, *supra* note 127, at 96 (2d ed. 1990) (“It is also established that a case may ‘arise under’ federal common law, as well as under statutory or constitutional provisions.”); Martha A. Field, *Sources of Law: The Scope of Federal Common Law*, 99 HARV. L. REV. 883, 897 (1986).

The copyright jurisdiction statute, 28 U.S.C. § 1338 (1988), should support federal common law claims as well as 28 U.S.C. § 1331 (1988). “No essential variance in the construction of ‘arising under’ is noticeable in the individual application of the [jurisdiction] statutes.” Note, *supra* note 126, at 828 n.4.

161. 28 U.S.C. § 1338(a) (1988).

162. 28 U.S.C. § 1331 (1988).

163. “[J]urisdiction shall be exclusive of the courts of the states in . . . copyright cases.” 28 U.S.C. § 1338(a) (1988). One could argue that the accounting remedy falls under the provisions of § 1331, the federal question jurisdiction statute, which gives concurrent federal jurisdiction over actions arising under “the Constitution, laws, or treaties of the United States.” 28 U.S.C.

claims should therefore trigger exclusive federal jurisdiction.

2. *State Accounting Rule*

This section assumes *arguendo* that the duty to account is a state common law rule. It argues that even without a federal accounting rule, the language of the copyright jurisdiction statute is broad enough to give federal jurisdiction over some of the cases in which an accounting is sought: those in which a dispute arises between copyright coauthors. These cases, unlike those involving coowners whose rights arise by contract, involve the interpretation of the joint ownership provisions of the Copyright Act of 1976. The federal interest in the correct interpretation of these provisions suffices to confer federal jurisdiction, even if the remedy sought is held to exist only under state law.

The general federal question jurisdiction statute¹⁶⁴ and the statute dealing specifically with copyrights and other intellectual property¹⁶⁵ have "arising under" language nearly identical to that of Article III; federal courts, however, have never interpreted these statutes to confer federal jurisdiction whenever the constitutional "ingredient" test is satisfied.¹⁶⁶ Courts have created self-imposed limits to federal jurisdiction for reasons of policy: for example, to avoid usurping the role of the state courts in the federal system, to leave to the states those cases that turn predominantly on state issues, and to avoid overburdening the federal system with cases that only marginally bear on federal interests.¹⁶⁷

§ 1331 (1988). This language is more general than that of § 1338, which requires that the action arise under an "Act of Congress relating to . . . copyrights" 28 U.S.C. § 1338(a) (1988). "Laws . . . of the United States" might more easily include federal common law than an "Act of Congress." See Edward H. Cooper, *State Law of Patent Exploitation*, 56 MINN. L. REV. 313, 340 n.101 (1972) (discussing the analogous case of federal common law of patent agreements).

The argument for concurrent jurisdiction is strained, however. The duty to account was developed to effectuate the policies of the copyright laws, whose grant of jurisdiction comes under § 1338. Moreover, after the implicit ratification of the duty to account in the Copyright Act of 1976, an action for an accounting can now be said to arise under an "Act of Congress relating to . . . copyrights," i.e., the Copyright Act of 1976.

164. 28 U.S.C. § 1331 (1988) provides that "[t]he district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States."

165. 28 U.S.C. § 1338(a) (1988) provides that "[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to . . . copyrights Such jurisdiction shall be exclusive of the courts of the states in . . . copyright cases."

166. "This Court has never held that statutory 'arising under' jurisdiction is identical to Art. III 'arising under' jurisdiction. Quite the contrary is true. . . . Art. III 'arising under' jurisdiction is broader than federal-question jurisdiction under § 1331" *Verlinden B.V. v. Central Bank of Nigeria*, 461 U.S. 480, 494-95 (1983). For example, a case involving a disputed assignment or license of a copyright does not trigger federal jurisdiction, even though the existence of a copyright forms an "ingredient" of the cause of action. See, e.g., *Berger v. Simon & Schuster*, 631 F. Supp. 915 (S.D.N.Y. 1986); *WRIGHT ET AL.*, *supra* note 26, § 3582, at 310; 3 NIMMER, *supra* note 1, § 12.01[A], at 12-15.

167. If the ingredient theory of Article III had been carried over to the general grant of federal question jurisdiction now contained in 28 U.S.C. § 1331, there would have been no basis — to take a well-known example — why federal courts should not have jurisdiction as to all disputes over the many western land titles originating in a federal patent, even though

Copyright accounting cases, however, present countervailing considerations weighing in favor of federal jurisdiction, including the desire for national uniformity of remedy and the need for adjudication by a tribunal with expertise in federal issues.¹⁶⁸ The policies favoring federal jurisdiction vary depending on the type of copyright accounting case presented to the court. Joint authorship cases implicate federal interests to a greater degree than contract cases because the rights of joint authors are specifically addressed in the Copyright Act of 1976.¹⁶⁹ Contract cases, on the other hand, involve mostly issues of state law.

The best-known test to determine whether a claim "arises under" the federal jurisdiction statutes is the three-prong test devised by Judge Friendly in *T.B. Harms Co. v. Eliscu*.¹⁷⁰ If, as posited, the duty to account is a state remedy, a claim for an accounting does not fall under the first prong of the *Harms* test — "a remedy expressly granted by the [Copyright] Act"¹⁷¹ — because only actions for infringement have an express remedy in the 1976 Act.¹⁷² Contract cases fail the second prong of the *Harms* test as well: "a claim requiring construction of the [Copyright] Act."¹⁷³ An assignment of a copyright asserts no claim requiring construction of the Act. These issues are based in state law contract rights and require adjudication no different from any other contract claim. Nor do contract cases fall under the third prong: courts have never held that a copyright assignment implicates "a distinctive policy of the Act [that] requires that federal principles control."¹⁷⁴

the controverted questions normally are of fact or of local land law. Quite sensibly, such extensive jurisdiction has been denied.

T.B. Harms Co. v. Eliscu, 339 F.2d 823, 826 (2d Cir. 1964); see also 13B WRIGHT ET AL., *supra* note 26, § 3562, at 22.

168. See AMERICAN LAW INSTITUTE, STUDY OF THE DIVISION OF JURISDICTION BETWEEN STATE AND FEDERAL COURTS 35 (1965) (Tentative Draft No. 3) commentary on § 1311(b) ("In patent and copyright cases the federal courts . . . have experience, which the state courts lack . . ."). For the historical rationale behind the need for the federal judiciary, see ERWIN CHEMERINSKY, FEDERAL JURISDICTION 2-3 (1989) (explaining the need for uniformity and the fear of state hostility to federal interests). For policy rationales favoring exclusive federal adjudication of the related field of patent law agreements, see Cooper, *supra* note 163, at 315.

169. 17 U.S.C. §§ 101, 201(a) (1988).

170. 339 F.2d 823 (2d Cir. 1964). See *supra* text accompanying note 84 for the full text of the *Harms* test.

171. 339 F.2d at 828.

172. 17 U.S.C. §§ 501-10 (1988). A federal common law remedy should trigger federal jurisdiction, however, just as an express remedy would. See *supra* section III.B.1. This first prong appears to have come from Justice Holmes' statement that "[a] suit arises under the law that creates the cause of action." *American Well Works Co. v. Layne & Bowler Co.*, 241 U.S. 257, 260 (1916), modified by *Franchise Tax Bd. v. Construction Laborers Vacation Trust*, 463 U.S. 1 (1983). A federal common law remedy fits as well as an express remedy under this test.

173. 339 F.2d at 828.

174. 339 F.2d at 828; see 3 NIMMER, *supra* note 1, § 12.01[A], at 12-3 to -4. But see Cooper, *supra* note 163, at 340-44 (advocating federal jurisdiction for all contract cases in the analogous field of patent agreements).

Joint authorship cases, however, will often present a claim requiring construction of the joint authorship provisions of the Act.¹⁷⁵ Such cases satisfy the second prong of the *Harms* test.¹⁷⁶ Construction of the joint authorship provisions of the 1976 Act by the federal courts is especially important after *Community for Creative Non-Violence v. Reid*.¹⁷⁷ Because *Reid* restricted the work-for-hire doctrine, claims of joint authorship are likely to increase in number, creating new problems of statutory construction for the courts to resolve.¹⁷⁸ Courts do not agree on how much work a person must contribute before rising to the status of coauthor.¹⁷⁹ Moreover, additional joint ownership cases may cause courts to rethink the present rule that allows two coauthors who make substantially differing contributions to receive equal shares in the resulting accounting. Federal jurisdiction is more likely to lead to uniform solutions to these questions of construction of the 1976 Act.¹⁸⁰

The federal courts should take jurisdiction, however, only when they must construe the joint authorship provisions of the Act. Even when the parties are joint authors, the pleadings may show that they do not dispute any issue of joint authorship. For example, one joint author may contest the other author's performance of an agreement concerning the joint work. If the pleadings show that neither party disputes joint authorship, the case is actually a simple contract case, even though it involves a contract between joint authors. Such a case does not require construction of the Act and does not require federal jurisdiction. On the other hand, if a case contains bona fide disputes over both joint authorship and contract issues, courts should grant federal jurisdiction. The mere presence of contract issues should not deny federal jurisdiction to a case that would otherwise qualify because of unresolved joint authorship questions.¹⁸¹

175. 17 U.S.C. § 101 (1988) (definition of *joint work*); 17 U.S.C. § 201(a) (1988) (vesting initial title to the copyright in the joint authors).

176. This prong of the *Harms* test comes from *Smith v. Kansas City Title & Trust*, 255 U.S. 180 (1921), a case concerning jurisdiction under what is now 28 U.S.C. § 1331 (1988). *Harms*, 339 F.2d at 827. The court in *Harms* cites *De Sylva v. Ballentine*, 351 U.S. 570 (1956), as an application of this principle under the copyright jurisdiction statute, currently at 28 U.S.C. § 1338(a) (1988). *But see* WRIGHT ET AL., *supra* note 26, § 3562, at 26 n.24 (questioning the value of *De Sylva* as precedent because the Court did not discuss jurisdiction and so is not bound by the decision).

177. 490 U.S. 730 (1989).

178. *See supra* section I.B.

179. *See supra* notes 51-52 and accompanying text.

180. Although the Supreme Court has held that "[t]he novelty of [a federal] issue is not sufficient to give it status as a federal cause of action," *Merrell Dow Pharmaceuticals v. Thompson*, 478 U.S. 804, 817 (1986), the novelty of joint authorship issues is only one reason to confer federal jurisdiction. Federal courts will also produce more uniform decisions and bring their expertise in copyright law to bear.

181. Under this analysis, the courts wrongly decided *Keith v. Scruggs*, 507 F. Supp. 968 (S.D.N.Y. 1981), and *Newman v. Crowell*, 205 U.S.P.Q. (BNA) 517 (S.D.N.Y. 1979), when they

Two copyright accounting cases have recognized federal jurisdiction under the statutory construction prong of the *Harms* test.¹⁸² Both cases concerned disputed coauthorship, not assignment. *Lieberman v. Estate of Chayefsky*¹⁸³ held that the resolution of the case depended on the application and interpretation of the statutory definition of joint work;¹⁸⁴ *Goodman v. Lee*¹⁸⁵ held that the resolution depended on the copyright ownership provisions.¹⁸⁶ These two cases offer good examples of courts correctly applying the *Harms* test to grant federal jurisdiction. Under this analysis, however, the court's denial of federal jurisdiction in *Harrington v. Mure*¹⁸⁷ would have been incorrect had the case arisen under the Copyright Act of 1976. The plaintiff in *Harrington* claimed relief based on his alleged coauthorship of a work, which would have required an interpretation of the statutory provisions regarding joint authorship.¹⁸⁸

The Supreme Court has never explicitly endorsed the *Harms* test. In *Franchise Tax Board v. Construction Laborers Vacation Trust*,¹⁸⁹ the Supreme Court quoted the *Harms* test and enunciated a similar two-prong test for determining federal question jurisdiction under section 1331. The complaint must establish "either [1] that federal law creates the cause of action or [2] that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal law."¹⁹⁰ This test seems to be an implicit restatement of the *Harms* test. The first prong of the *Franchise Tax Board* test apparently derives from the same source as the first prong of the *Harms* test.¹⁹¹

denied federal jurisdiction because both presented contract issues. Both cases presented bona fide issues of joint authorship as well as contract issues. See *supra* note 79.

182. *Goodman v. Lee*, 815 F.2d 1030 (5th Cir. 1987); *Lieberman v. Estate of Chayefsky*, 535 F. Supp. 90 (S.D.N.Y. 1982). These cases are discussed *supra* notes 87-97 and accompanying text.

183. 535 F. Supp. 90 (S.D.N.Y. 1982).

184. 535 F. Supp. at 91; see 17 U.S.C. § 101 (1988).

185. 815 F.2d 1030 (5th Cir. 1987).

186. 815 F.2d at 1031-32; see 17 U.S.C. § 201(a) (1988).

187. 186 F. Supp. 655 (S.D.N.Y. 1960).

188. See *supra* notes 75-77 and accompanying text. On the other hand, contract cases such as *Cresci v. Music Publishers Holding Corp.*, 210 F. Supp. 253 (S.D.N.Y. 1962), and *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984), which did not involve any dispute over joint authorship, were correctly decided when the courts denied federal jurisdiction. See *supra* note 78.

The third prong of the *Harms* test — the "dominant federal interest" test — may also trigger jurisdiction by justifying the creation of federal common law, from which jurisdiction may follow. See *supra* notes 124-29 and accompanying text. No opinion has yet relied on this prong, perhaps because of the obvious applicability of the second prong.

189. 463 U.S. 1 (1983). This case dealt with a state suit by the California Tax Board to compel the Trust to pay certain tax levies. The Trust, which claimed that the levies were preempted by federal law (ERISA), removed the suit to federal court. 463 U.S. at 4-7. The Supreme Court held that the federal courts did not have federal question jurisdiction under 28 U.S.C. § 1331 (1988). 463 U.S. at 28.

190. *Franchise Tax Bd.*, 463 U.S. at 27-28.

191. "A suit arises under the law that creates the cause of action." *American Well Works*

This prong of the *Franchise Tax Board* test may also confer federal jurisdiction over actions based on federal common law remedies,¹⁹² as well as actions that implicate a dominant federal interest,¹⁹³ the third prong of the *Harms* test. The second prongs of both the *Harms* and the *Franchise Tax Board* tests are substantially similar,¹⁹⁴ and apparently derive from the same source.¹⁹⁵ Thus, the Supreme Court's two-prong test implicitly endorses the substance of the *Harms* test.¹⁹⁶

On the other hand, in *Merrell Dow Pharmaceuticals v. Thompson*,¹⁹⁷ the Supreme Court narrowly read its *Franchise Tax Board* test. The plaintiffs in *Merrell Dow* sued under Ohio law, which recognized a private tort action against defendants who violated a federal drug regulatory statute.¹⁹⁸ The federal statute created no federal private remedies, however.¹⁹⁹ After repeating the *Franchise Tax Board* test,²⁰⁰ the Court denied federal jurisdiction, even under the second, "substantial question of federal law" prong of the test. Read narrowly, this opinion denies federal jurisdiction unless federal law creates the cause of action.²⁰¹

Neither *Franchise Tax Board* nor *Merrell Dow*, however, is exactly on point: *Franchise Tax Board* is an application of the well-pleaded complaint rule²⁰² to a declaratory judgment action, and *Merrell Dow*

Co. v. Layne & Bowler Co., 241 U.S. 257, 260 (1916) (the Holmes test), modified by *Franchise Tax Bd.* Cf. the first prong of the *Harms* test: "[A]n action 'arises under' the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act" 339 F.2d at 828.

192. The "federal law" that "creates the cause of action" could as easily be federal common law as a federal statute.

193. Whatever federal law creates the dominant federal interest could be said to "create the cause of action."

194. Compare *Harms*, 339 F.2d at 828 (holding that an action arises under the Copyright Act if the complaint "asserts a claim requiring construction of the Act") with *Franchise Tax Bd.*, 463 U.S. at 28 (federal courts have jurisdiction when "the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal law").

195. *Smith v. Kansas City Title & Trust Co.*, 255 U.S. 180 (1921), cited with approval in *Franchise Tax Bd.*, 463 U.S. at 9, and *Harms*, 339 F.2d at 827.

196. In the end, the Court denied federal jurisdiction over the claim for reasons unrelated to its test for jurisdiction. The Court held that the complaint failed to satisfy the well-pleaded complaint rule as applied to a state declaratory judgment action. *Franchise Tax Bd.*, 463 U.S. at 13-22.

197. 478 U.S. 804 (1986).

198. 478 U.S. at 805-06.

199. 478 U.S. at 806-07.

200. The Court cited *Franchise Tax Board* for the propositions that a case may arise under federal law where "federal law creates the cause of action," 478 U.S. at 808, and where "the vindication of a right under state law necessarily turn[s] on some construction of federal law." 478 U.S. at 808 (quoting *Franchise Tax Bd.*, 463 U.S. at 9).

201. We conclude that a complaint alleging a violation of a federal statute as an element of a state cause of action, when Congress has determined that there should be no private, federal cause of action for the violation, does not state a claim "arising under the Constitution, laws, or treaties of the United States." 478 U.S. at 817 (quoting 28 U.S.C. § 1331 (1988)).

202. See *infra* notes 209-14 and accompanying text (discussing the well-pleaded complaint rule).

concerns state incorporation of a federal regulatory standard.²⁰³ Neither case predicts what courts would do if confronted with a copyright accounting case that included an allegation of joint ownership.²⁰⁴ Because Supreme Court rulings remain ambiguous on this jurisdictional question, and have failed to address it in the context of copyright, the federal interest in uniform, expert interpretation of the joint authorship provisions of the Copyright Act of 1976²⁰⁵ compels lower federal courts to recognize federal jurisdiction by holding that such cases "depend[] on resolution of a substantial question of federal law."²⁰⁶

In sum, even if courts hold that the duty to account is a state law remedy, they should accept federal jurisdiction over copyright cases in which one party demands an accounting based on a claim of joint authorship. Such cases implicate the federal interest in interpreting the joint authorship provisions of the Copyright Act. Cases in which one party demands an accounting based solely on contract rights do not implicate this federal interest. Joint authorship cases warrant federal jurisdiction under the second prong of the *Harms* test — they "assert[] a claim requiring construction of the Act"²⁰⁷ — or under the second prong of the *Franchise Tax Board* test: "the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal law."²⁰⁸

203. Joint authorship cases may be considered incorporation cases, but of an odd kind: assuming that the duty to account is a state remedy, the state is obliged to incorporate the federal joint authorship standard. This contrasts with *Merrell Dow*, where the state chose to use federal standards as a basis for negligence, rather than draft its own substantive standard of conduct.

204. *De Sylva v. Ballentine*, 351 U.S. 570 (1956), is arguably on point. In *De Sylva*, the Court decided a disputed question of partial ownership of copyright renewal terms. Although the Court did not indicate how it had jurisdiction over the dispute, jurisdiction was presumably based on the need to construe certain provisions of the Copyright Act — there was no diversity of citizenship and no infringement. By not addressing jurisdiction, the Supreme Court may have implicitly provided support for the second prong of the *Harms* test. *T.B. Harms v. Eliscu*, 339 F.2d 823, 827 (2d Cir. 1964), *cert. denied*, 381 U.S. 915 (1965). On the other hand, the Court is not bound by a jurisdictional ruling in a case when jurisdiction is not raised. See *WRIGHT ET AL.*, *supra* note 26, § 3562, at 26 n.24. Thus, the outcome of *De Sylva*, while suggestive, is not dispositive.

205. See *supra* notes 116-23 and accompanying text.

206. *Franchise Tax Bd.*, 363 U.S. at 28. One question remains unanswered: is federal jurisdiction over joint authorship questions exclusive or concurrent? The best answer is that it is exclusive. Joint authorship disputes "arise under" the copyright laws, which means that jurisdiction is conferred by 28 U.S.C. § 1338 (1988). This statute gives jurisdiction "exclusive of the courts of the states in . . . copyright cases." 28 U.S.C. § 1338(a) (1988). Some believe that jurisdiction arising from the interpretation of the copyright statute should be concurrent, however. See AMERICAN LAW INSTITUTE, STUDY OF THE DIVISION OF JURISDICTION BETWEEN STATE AND FEDERAL COURTS 88 (1968) (Tentative Draft No. 6) (commentary on § 1311(b)) (stating that *De Sylva v. Ballentine*, 351 U.S. 570 (1956) "may well have been considered [a case] of concurrent jurisdiction under the general federal question statute, 28 U.S.C. § 1331."). See *supra* note 204 for a discussion of *De Sylva*.

207. 339 F.2d at 828.

208. 463 U.S. at 28.

C. The Well-Pleaded Complaint Rule

The federal courts are bound not only by the jurisdiction statutes, but also by the well-pleaded complaint rule.²⁰⁹ The Supreme Court in *Franchise Tax Board* recently reaffirmed the rule: jurisdiction “‘must be determined from what necessarily appears in the plaintiff’s statement of his own claim in the bill or declaration, unaided by anything alleged in anticipation of avoidance of defenses which it is thought the defendant may interpose.’”²¹⁰ Satisfying one of the two prongs of the *Franchise Tax Board* test²¹¹ is necessary but not sufficient to give jurisdiction to the federal courts. The well-pleaded complaint rule thus excludes from federal court some suits that pass the *Franchise Tax Board* test.²¹² The Court considers itself obliged to uphold the well-pleaded complaint rule, “for reasons involving perhaps more history than logic,”²¹³ even when it “produce[s] awkward results.”²¹⁴

The well-pleaded complaint rule does not bar federal jurisdiction if the accounting rule is one of federal law. The plaintiff’s complaint will necessarily contain a request for relief in the form of an accounting. With a federal element necessarily present in the complaint, the rule is satisfied. If the accounting rule is a state remedy, however, the well-pleaded complaint rule has the potential of leading to what the Court calls “awkward results.” Even if the remedy is based on state law, the well-pleaded complaint rule appears to be satisfied if the plaintiff alleges joint authorship, because a federal issue appears in the complaint.²¹⁵ But problems may arise when a complaint contains is-

209. The well-pleaded complaint rule, a judicially created doctrine, is usually traced back to *Louisville & N. R.R. v. Mottley*, 211 U.S. 149 (1908). Over time, the rule has taken on a quasi-constitutional status, although it is often criticized for arbitrarily restricting federal jurisdiction. See, e.g., Donald L. Doernberg, *There’s No Reason for It: It’s Just Our Policy: Why the Well-Pleaded Complaint Rule Sabotages the Purposes of Federal Question Jurisdiction*, 38 HASTINGS L.J. 597 (1987). The rule applies to actions under the copyright jurisdiction statute, 28 U.S.C. § 1338 (1988), as well as federal question jurisdiction. See *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 807-10 (1988) (applying well-pleaded complaint rule to a patent case under § 1338); *Vestron, Inc. v. Home Box Office*, 839 F.2d 1380 (9th Cir. 1988) (well-pleaded complaint rule applied to a copyright case under § 1338).

210. *Franchise Tax Bd. v. Construction Laborers Vacation Trust*, 463 U.S. 1, 10 (1983) (quoting *Taylor v. Anderson*, 234 U.S. 74, 75-76 (1914)).

211. See *supra* note 190 and accompanying text.

212. *Franchise Tax Board* itself serves as an example. The plaintiff California Franchise Tax Board filed suit in California court over the defendant’s failure to pay certain tax levies required by California law. The defendant removed the case to federal court on the ground that its activities were covered by a federal law (ERISA), which preempts California state law. 463 U.S. at 3-7. On appeal, the Supreme Court agreed that the defense of preemption was the only question truly at issue. But it denied federal jurisdiction for one of plaintiff’s causes of action because the preemption was a defense and thus was not a necessary element of the complaint — “a straightforward application of the well-pleaded complaint rule.” 463 U.S. at 13.

213. *Franchise Tax Bd.*, 463 U.S. at 4.

214. *Franchise Tax Bd.*, 463 U.S. at 12.

215. Defendant may argue that the well-pleaded complaint rule is not satisfied because plaintiff’s claim of joint authorship is not necessary to frame the complaint: plaintiff would still have an action in state court without the allegation of joint authorship. But the allegation of joint

sues of both contract and joint authorship.²¹⁶ At this preliminary stage of the litigation, the court will have difficulty piercing the pleadings to find out whether the question of joint authorship is truly at issue. The court may be tempted to consider such a suit to be based on state law and deny jurisdiction under the well-pleaded complaint rule.²¹⁷

Construing the well-pleaded complaint rule to exclude such combination contract/joint author cases from federal jurisdiction would be unwise. The rights of joint authors are based on federal statute and federal judicial interpretation. After *Reid*,²¹⁸ these rights are in a state of flux and should be determined by federal courts, where uniformity can better be enforced.²¹⁹ Joint authors' rights fall within the *Franchise Tax Board* test, requiring "resolution of a substantial question of federal law,"²²⁰ and they should not be excluded by the well-pleaded complaint rule.

The well-pleaded complaint rule may also be an obstacle to suits in which sole and joint authorship are pleaded in the alternative. Sole authorship cases involve infringement and are federal matters.²²¹ If courts consider the duty to account in joint authorship cases to be a state remedy, and if courts further rule that joint authorship claims fail the *Harms* test, the well-pleaded complaint rule may bar federal jurisdiction: "a claim supported by alternative theories in the complaint may not form the basis for § 1338(a) jurisdiction unless [federal] law is essential to each of those theories."²²²

A solution to these difficulties is attainable. Courts should hold that a plaintiff's bare allegation of joint authorship in the complaint is sufficient to trigger federal jurisdiction.²²³ Unfortunately, federal

authorship is necessary to show that the complaint is of the type that federal courts should hear. This should be a sufficient showing of necessity to pass the well-pleaded complaint rule.

216. See, e.g., *Keith v. Scruggs*, 507 F. Supp. 968 (S.D.N.Y. 1981); *Newman v. Crowell*, 205 U.S.P.Q. (BNA) 517 (S.D.N.Y. 1979). These cases both involved plaintiffs who claimed joint authorship in a work and a breach of contract regarding the assignment or licensing of the work. See *supra* note 79.

217. Both *Newman* and *Keith* were dismissed for lack of federal jurisdiction. See *supra* note 79. The courts did not reach the well-pleaded complaint issue, however, deciding the cases instead on the ground that the actions did not arise under the copyright laws.

218. *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

219. See *supra* notes 51-52 and accompanying text.

220. *Franchise Tax Bd.*, 463 U.S. at 13.

221. See *supra* notes 47-50 and accompanying text.

222. *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 810 (1988). This is a patent law case, but since the same jurisdiction statute applies (28 U.S.C. § 1338 (1988)), the result should be the same.

223. Examples of cases in which the well-pleaded complaint rule did not bar federal jurisdiction are *Goodman v. Lee*, 815 F.2d 1030 (5th Cir. 1987), and *Lieberman v. Estate of Chayefsky*, 535 F. Supp. 90 (S.D.N.Y. 1982). The courts, however, did not discuss the applicability of the well-pleaded complaint rule in the opinions.

The courts should require the plaintiff to allege that he is a joint author, not that he obtained title from an earlier joint author. Joint authorship questions could conceivably arise even in the

courts may get a number of cases in which plaintiffs plead joint authorship merely to qualify for federal jurisdiction. The court may hope to deter many such cases by quick dismissal or by sanctions.²²⁴ Even if a number of frivolous cases remain, however, federal courts should initially take jurisdiction. To do otherwise would be to eliminate this class of actions from the federal court system, since under the well-pleaded complaint rule, courts must determine jurisdiction initially by looking at the face of the complaint alone.²²⁵

Courts in similar circumstances have shown a willingness to construe the well-pleaded complaint rule liberally to avoid injustice to the parties and to give the plaintiff his choice of forum. For example, a plaintiff in his pleadings often presents a dispute over an assignment or a license of a copyright as a federal infringement action as follows: the plaintiff rescinds the contract and then sues for infringement, asserting that the defendant is copying the work without permission. Some courts have held that such complaints satisfy the well-pleaded complaint rule, even though the actions can also be characterized as state contract disputes.²²⁶ If the infringement claim has no real merit (that is, if the assignment was in fact valid), the court may later dismiss the action in a motion for summary judgment²²⁷ or dismiss at the court's discretion for lack of subject matter jurisdiction.²²⁸

Courts should follow the same procedure in joint authorship accounting cases. If the plaintiff alleges he is a joint author on the face of his complaint, the court should deem the complaint to satisfy the well-pleaded complaint rule. If the defendant in his answer demonstrates that joint authorship will not be an issue — for example, if the defendant admits to joint authorship and disputes only facts that raise contract issues — the court may immediately dismiss the case for failure to state a cause of action²²⁹ or lack of subject matter jurisdiction.²³⁰ If the court determines later that the joint authorship claim has no merit, and that the suit is predominantly a contract dispute, the court should dismiss the suit without prejudice in a motion for summary judgment, giving the plaintiff an opportunity to bring the claim

latter case. But the probability of such questions' arising diminishes the further the plaintiff is removed from joint authorship. This rule, like the well-pleaded complaint rule itself, is a way of allowing federal courts to make a rough cut at the pleading stage when the likelihood that federal issues will arise is low.

224. See *infra* text accompanying notes 229-32.

225. *Franchise Tax Bd. v. Construction Laborers Vacation Trust*, 463 U.S. 1, 10 (1983).

226. See, e.g., *Effects Assocs. v. Cohen*, 817 F.2d 72 (9th Cir. 1987) (allowing plaintiff to rescind licensing agreement and sue defendant for copyright infringement in federal court).

227. See, e.g., *Malinowski v. Playboy Enters.*, 706 F. Supp. 611 (N.D. Ill. 1989) (dismissing plaintiff's claim for infringement on motion for summary judgment when court learned that a contract dispute was the only issue).

228. See FED. R. CIV. P. 12(b)(1).

229. See FED. R. CIV. P. 12(b)(6).

230. See FED. R. CIV. P. 12(b)(1).

in the appropriate state court. If the claim for federal jurisdiction was frivolous or abusive, Rule 11 sanctions may be appropriate.²³¹ Such sanctions would be a powerful deterrent to litigants who would use this liberal interpretation of the well-pleaded complaint rule to assert federal jurisdiction improperly.²³²

CONCLUSION

A joint owner of a copyright is under a duty to account to other owners for their share of any profits realized by the exploitation of the work. This Note supports the position that the duty to account is a federal remedy. It is a creation of federal common law, fashioned by the federal courts to fill gaps in the statutory language of the Copyright Act of 1909, using common law tenancy-in-common as a model. As a federal remedy, the duty to account promotes national uniformity and expert adjudication of rights of copyright owners, much like the statutory remedy of infringement. As a federal common law remedy, the duty to account "arises under" the copyright laws of the United States, just as the statutory remedy of infringement "arises under" those laws. Thus, a complaint asking for an accounting should be given exclusive federal jurisdiction. The federal interest in national uniformity of remedy outweighs the state interest in adjudicating contract issues arising in disputes involving coowners of copyrights.

Even if the courts reject the preceding analysis and hold that the accounting remedy is a creation of state law, the federal courts should have jurisdiction over at least a portion of the copyright accounting cases. Copyright accounting cases can be divided into two classes:

231. FED. R. CIV. P. 11.

232. A problem may arise if the plaintiff wishes to try a joint authorship case in state court, but the defendant wishes to remove to federal court. Suppose the plaintiff serves a complaint in state court, in which he merely recites the allegation that he is coowner of the copyright without alleging joint ownership. The defendant may want to raise the defense that the plaintiff is not a coowner because he is not a joint author. Should the defendant be allowed to remove the case to federal court? Under 28 U.S.C. § 1441(a) (1988), the defendant may remove a case to federal court if the plaintiff could have brought the case in federal court originally. At first glance, the answer appears to be no: the defendant seems to run afoul of the well-pleaded complaint rule, because the federal element of the claim arises in a defense. But such a defendant may still get federal jurisdiction if the court holds that the allegation of joint authorship is a necessary part of the complaint. That is, the plaintiff, as part of a well-pleaded complaint, must specify whether he intends to rely on joint authorship for his claim of ownership of the copyright. "[A] plaintiff may not defeat removal by omitting to plead necessary federal questions in a complaint." *Franchise Tax Bd. v. Construction Laborers Vacation Trust*, 463 U.S. 1, 22 (1983).

Similarly, a plaintiff who wishes to deny that defendant is a joint author of a work should be able to get a declaratory judgment in federal court under 28 U.S.C. § 2201 (1988). The underlying coercive action — the defendant's suing the plaintiff for an accounting — will satisfy the well-pleaded complaint rule if an allegation of joint authorship is a necessary part of the complaint. See *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667 (1950); *Franchise Tax Bd.*, 463 U.S. at 16 ("Skelly Oil has come to stand for the proposition that 'if, but for the availability of the declaratory judgment procedure, the federal claim would arise only as a defense to a state created action, jurisdiction is lacking.'") (quoting 10A WRIGHT ET AL., *supra* note 26, § 2767, at 744-45).

contract cases, in which coownership of the copyright came about by assignment of the copyright; and joint authorship cases, in which coownership came about from joint contributions to the creation of the work by the coowners. Federal interests are implicated to different degrees in these two classes of disputes. Claims for a declaration of joint authorship and an accounting should be given federal jurisdiction. Such claims "arise under" the copyright laws because they require the application and interpretation of the joint authorship provisions of the copyright statute. These provisions are particularly unsettled after *Community for Creative Non-Violence v. Reid*, and they require federal interpretation. Contract claims, on the other hand, are at base state law claims, and the concomitant demand for an accounting does not change them into claims that "arise under" the copyright laws, unless the accounting remedy is itself considered federal.

Copyright owners want predictable application of the laws and a certain choice of forum. The judiciary, on the other hand, must also concern itself with maintaining a proper balance between the federal and state court systems. The position outlined in this Note — that the duty to account should be considered a federal remedy, and that copyright accounting actions should be tried in federal court — provides the best balance of these competing interests. It provides copyright owners the predictability they need while infringing only marginally on the interests of the states.